



Hilton (South Derbyshire) Housing Needs Assessment (HNA)

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List of acronyms used in the text:

AH	Affordable Housing (NPPF definition)
AMH	Affordable Market Housing
GT	Gypsy & Traveller
GTAA	Gypsy and Traveller Accommodation Assessment
HNA	Housing Needs Assessment
HNF	Housing Needs Figure
HPC	Hilton Parish Council
LPA	Local Planning Authority
MHCLG	Ministry for Housing, Communities and Local Government (formerly DCLG)
NA	Neighbourhood Area
NDP	Neighbourhood Development Plan
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
SDDC	South Derbyshire District Council
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment

1. Executive Summary

Introduction

1. This report provides Hilton Parish Council (HPC) with information about amount and type of housing they should plan for going forward, as well as an understanding of the needs of specialist groups and appropriate tenures to support homes reserved for local people. The information provided can be used to inform debate within the group, local understanding of the needs and the justification for any site allocation and site mix policies proposed in the neighbourhood development plan.
2. The approach taken here recognises that the neighbourhood development plans will need to meet the statutory 'basic conditions', the fulfillment of which is tested through an independent examination. One of these, Basic Condition E, requires the neighbourhood development plan to be in 'general conformity with the strategic policies' of the adopted Local Plan.
3. The Government's Planning Practice Guidance indicates that the level of housing development is likely to count as a strategic policy.¹ As such, this formal Housing Need Assessment (HNA) investigates specific local needs that are relevant to the neighbourhood whilst supporting the strategic development needs set out in the current Local Plan. This means a Neighbourhood development plan can propose more housing where there is demonstrable need, but not less than the Local Plan.
4. In terms of the types of housing needed, there is generally more flexibility on what a neighbourhood development plan can cover. In order to understand the types of housing needed in Hilton, we have gathered a wide range of local evidence and distilled this into policy recommendations designed to inform decisions on housing characteristics.
5. The information is produced using reputable sources of the most recent data available and tested ways of analysing such data.
6. At the neighbourhood planning level, one important consideration is determining the extent to which the neighbourhood diverges from the local authority average, reflecting the fact that a single town, village, or neighbourhood almost never constitutes a housing market area on its own and must therefore be assessed in its wider context.
7. Our brief was to advise on data at this more local level to help HPC understand the tenure, type, and size of housing needed to inform neighbourhood development plan policies including allocations. The analysis also responds to important background information given to the researchers by the HPC which resulted in a number of agreed research questions:

RQ1: What quantity of Housing in the NA is appropriate over the Plan period and beyond till 2035?

RQ2: What Affordable Housing (social housing, affordable rented, shared ownership, intermediate rented) and market tenures should be included in the housing mix?

RQ3: What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing has the best potential to meet local needs?

RQ4: What provision should be made for specialist housing for older people within the NA?

Headlines

8. The appropriate quantity of new housing to be delivered in the NA, also called Housing Needs Figure (HNF), is 839 dwellings over the neighbourhood development plan period (2016 – 2035).
9. For households on lower incomes, most Affordable Housing options are genuinely affordable.
10. We recommend an Affordable Housing tenure split of
 - **40% Entry Level Market Sale**
 - **10% Shared Ownership**
 - **40% Starter Homes**
 - **10% Entry Level Market Rent**
11. Population increases justify building more homes of all types and sizes, particularly **smaller and medium sized family housing**.

¹ PPG Paragraph: 006 Reference ID: 2a-006-20140306

12. The Hilton Area neighbourhood Development Plan survey reveals a **significant demand for bungalows and houses suitable for families**. This suggests that medium sized properties are still in demand whilst there is a need to increase the delivery of smaller homes, especially bungalows.
13. Our analysis of the **specialist housing needs of older people** suggests a need of 77 specialist accommodation units. These do not all need to be provided in the NA, although where feasible the majority of these units should be delivered in the NA to reflect the high demand identified in the Hilton Area Neighbourhood Development Plan survey.

Recommendations for next steps

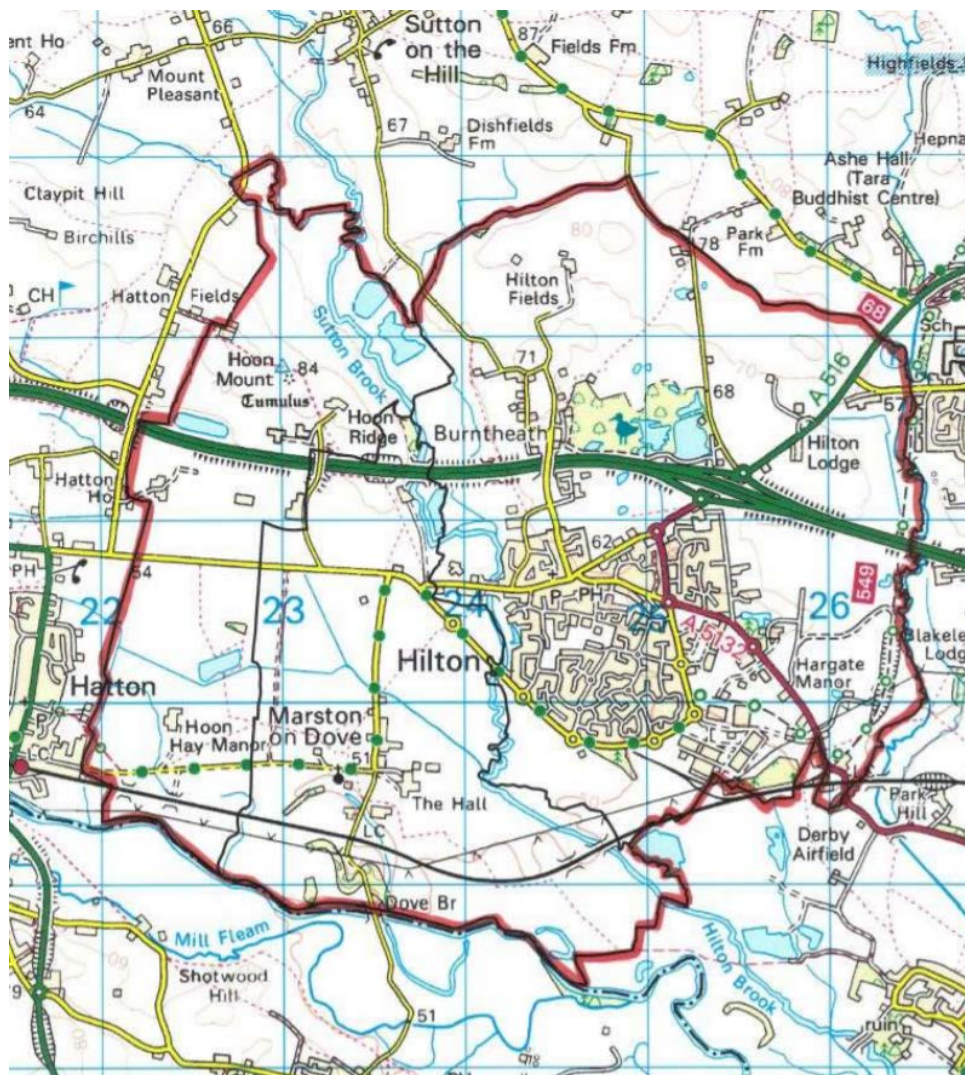
14. This neighbourhood development plan housing needs advice has aimed to provide HPC with evidence on housing trends from a range of sources. We recommend that the parish should, as a next step, discuss the contents and conclusions with SDDC with a view to agreeing and formulating draft housing policies, in particular the appropriate approach to identifying the level of need for new housing in the NP area, bearing the following in mind:
 - it has regard to the neighbourhood planning basic conditions that will be tested at examination;
 - the views of SDDC – in particular in relation to the housing need figure that should be adopted and the evidence required to support a local connection test policy;
 - the views of local residents;
 - the views of other relevant local stakeholders, including housing developers;
 - the numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any work carried out by the SDDC to understand the capacity of the NA to absorb housing, including but not limited to the SHLAA;
 - the findings and recommendations of this study; and
 - The impact of the new Government proposed standard methodology on calculating housing need on the district and its neighbourhoods.
15. The Government's on-going changes to the planning system will continue to affect housing policies at a local authority and, by extension, a neighbourhood level.
16. This HNA has been provided in good faith by AECOM on the basis of housing data and national guidance current at the time of writing (alongside other relevant and available information).
17. Bearing this in mind, we recommend that the steering group should monitor carefully strategies and documents with an impact on housing policy produced by the SDDC or any other relevant body and review the neighbourhood development plan accordingly to ensure that general conformity is maintained.
18. At the same time, monitoring on-going demographic or other trends over the period in which the neighbourhood development plan is being developed monitoring of this kind may trigger a review of the policy position adopted in the draft NDP in light of changes in key indicators.

2. Context

2.1 Local context

19. Hilton is a large village in South Derbyshire, East Midlands. It is located in the Dove Valley and is 15 miles from the city of Derby and 7 miles from Burton upon Trent. It is well connected to Derby through the A50 South Derby by pass which lies at the north of the village. The village is mostly centered to the south and east of the historic Main Street where the majority of village amenities are located.
20. South Derbyshire Council has designated the area of Hilton as a neighbourhood area (NA) as shown in Figure 7-2 below. The NA covers the parishes of Hilton, Marston on Dove and Hoon.

Figure 2-1: Hilton Neighbourhood Area Boundary



Source: South Derbyshire District Council²

² <https://www.south-derbys.gov.uk/our-services/planning-and-building-control/planning/planning-policy/neighbourhood-planning?chapter=4>

2.2 Planning policy context

21. In line with the Basic Conditions³ of neighbourhood planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with strategic policies in the adopted Local Plan. Consequently, there is a need for the relevant elements of the Local Plan to be reviewed as part of this Housing Needs Assessment (HNA).
22. The current Development Plan comprises the South Derbyshire Local Plan. This Local Plan was recently adopted in 2016 and 2017 and it fully supersedes the 1998 Local Plan. The Local Plan comprises of two parts. Part 1, which contains the long term vision, objectives and strategies, was adopted in 2016. Part 2, which includes the non-strategic housing allocations and detailed development management policies, was adopted in 2017. Here we review the housing chapters and the relevant policies that are outlined.

Current Development Plan

23. Any 'made' Neighbourhood Development Plan (NDP) will be considered alongside the Joint Local Plan when determining applications.

Housing Targets

24. **Policy S1 Sustainable Growth Strategy** - Over the plan period (2011 – 2028) at least 12,618 dwellings will be built within South Derbyshire. The housing sites required will be met on a mixture of brownfield and greenfield sites with preference for development to re-use previously developed land. Developments must not compromise the District's heritage assets, landscape and rural character, which must be protected, conserved and enhanced.
25. **Policy S4 Housing Strategy** - The housing target of 12,618 dwellings will be largely met through strategic sites. 600 dwellings will be allocated across non-strategic sites (defined as less than 100 dwellings).
26. The council will maintain a five-year rolling land supply of specific deliverable sites with additional buffers in accordance with the NPPF.
27. **Policy H1 Settlement Hierarchy** – The Local Plan Settlement Hierarchy designates Hilton as a 'Key Service Village'. Development of all sizes within the settlement boundaries will be considered appropriate and sites adjacent to settlement boundaries as an exception or cross subsidy site as long as it is not greater than 25 dwellings. The distribution of new development outside of site allocations will be in accordance with the site hierarchy.

Figure 2-2: Settlement Hierarchy

Key Service Villages:	
Aston on Trent	Etwall
Hatton	Hilton
Linton	Melbourne
Overseal	Repton
Shardlow	Willington

Source: South Derbyshire Local Plan, Part 1, p.36

28. **Policy SDT1 Settlement Boundaries** - Settlement boundaries define the built limits of a settlement and development will only be permitted within these boundaries and allocated sites or if the development accords with Policy BNE5.

Housing Site Policies

29. The following Housing site allocations policies from the Local Plan have been allocated in Hilton, all other development must accord to the aforementioned Policy H1:
30. **Policy H7 Land at Hilton Depot, Hilton** - Residential development on land at Hilton Depot, Hilton for around 485 dwellings.
31. **Policy H23 Non-Strategic Housing Allocations** - Derby Road, Hilton (S/0299) has been allocated for approximately 43 dwellings to be developed on this site.

³ PPG Paragraph: 065 Reference ID: 41-065-20140306

"The basic conditions are set out in paragraph 8(2) of Schedule 4B to the Town and Country Planning Act 1990 as applied to neighbourhood plans by section 38A of the Planning and Compulsory Purchase Act 2004"

Housing Density and Mix

32. **Policy H20 – Housing Balance:**

- The Council will seek a balance of housing that includes a mixture of dwelling type, size, tenure and density. This mix will reflect the findings from the Strategic Housing Market Assessment (SHMA) and Local Housing Needs study. However, there is no evidence to support a set density across all sites. Any housing development would be expected to make the most efficient use of the land whilst being sympathetic to the local built and natural environment.
- The viability of a development will be considered through a scheme's housing mix.
- The council will also seek to promote a housing mix that is suitable for a range of different groups of people such as single occupiers, self-builders, disabled and elderly people.

Housing Size and Tenure

33. **Policy H21 – Affordable Housing** - The council will seek to secure up to 30% of new housing development as Affordable Housing on sites of over 15 dwellings

- Consideration will be given to the following exceptions:
 - The local housing market;
 - Whether such a requirement is viable on a proposed scheme which will be assessed through independent viability assessments;
 - The tenure mix and dwelling type on the site will be based on the SHMA or other up to date housing evidence in conjunction with the council; and
 - The phases of the development that are being proposed.
- Rural exception sites will only be permitted if they adjoin existing key service villages, Local Service villages and Rural Villages (see Figure 2-2 for the settlement hierarchy. The number of dwellings must be accordance with Policy H1 unless:
 - The homes meet a clearly identified need;
 - The majority of homes are affordable homes;
 - The need cannot be reasonable met within the development limits of the village concerned or the sub-market area the site falls within as detailed in the SHMA; and
 - The development is in scale relative to the settlement size, and can be supported by facilities, especially public transport. The development does not have any unacceptable adverse impacts on the natural and built environment.

34. **Policy BNE5 – Development in Rural Areas** - Outside of settlement boundaries, within the rural areas of the District, planning permission will be granted where development is:

- In accordance with policies H1, H22, E7, INF10, H24, H25, H26, H27 or H28; (These are policies on sites for gypsies and travellers, rural employment , tourism development , replacement dwellings , residential gardens, extensions and conversions);
- otherwise essential to a rural based activity;
- unavoidable outside settlement boundaries;
- considered to be infill that is sympathetic with the character of the locality and represents the infilling of a small gap for not normally more than two dwellings, within small groups of housing; and
- will not have adverse impact on the landscape character and quality, biodiversity, best and most versatile agricultural land, and heritage assets.

3. Approach

3.1 Research Questions

35. Research Questions, abbreviated to 'RQ;' are arrived at the start of the project through discussion with the Parish Council. They serve to direct our research and provide the structure for the HNA.

3.1.1.1 Quantity

36. The current Local Plan (LP) was adopted in two parts in 2016 and 2017, and it proposes a housing requirement of at least 12,618 additional dwellings over the Plan period of 2011 - 2028⁴. There is a clear Housing Needs Figure (HNF) for Hilton with 485 homes allocated in part one⁵ of the LP and a further 43 homes in part two⁶.

37. However HPC wish for their Neighbourhood Development Plan (NP) period to be 2016 – 2035, which is a seven year extension of the current LP period (2011 – 2028). Therefore it would be appropriate for this HNA to generate a HNF that incorporates the HNF provided in the LP and also acknowledges the additional seven years of the NP.

RQ1: What quantity of Housing in the NA is appropriate over the Plan period 2016 - 2035?

3.1.1.2 Tenure

38. HPC are of the view that recent developments included a very low proportion of Affordable Housing⁷. They believe new developments should include a greater proportion of affordable tenures. HPC note that homes are unaffordable for first time buyers in particular. South Derbyshire District Council also identifies a borough-wide shortage of affordable housing, especially shared ownership, social and affordable rent.⁸

RQ2. What Affordable Housing (social housing, affordable rented, shared ownership, intermediate rented) and market tenures should be included in the housing mix?

3.1.1.3 Type and size

39. While there is demand for smaller and affordable market housing especially for first time buyers, HPC also acknowledge that there is demand (from mainly households headed by middle aged residents who represent almost half of the population) for larger homes of 4, 5 and 6 habitable rooms.

RQ3. What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) and size (number of habitable rooms) of housing is best suited to meet local needs?

3.1.1.4 Housing for specialist groups

40. HPC has expressed concern over the lack of housing for elderly people, especially in the form of specialist housing. They worry that the elderly population is expected to grow in Hilton yet there is already a lack of suitable housing.

RQ4. What provision should be made for specialist housing for elderly people within the NA?

41. The remainder of this report is structured around the research questions set out above.

3.2 Relevant Data

3.2.1 Local Authority evidence base

42. The PPG states that those bringing forward Neighbourhood Plans can refer to existing needs assessments prepared by the local planning authority as a starting point. As Hilton is within South Derbyshire District, we approached SDDC to understand the evidence base they have assembled to support the housing policies that appear in their Local Plan.

43. The current Development Plan is the South Derbyshire Local Plan. This Local Plan was recently adopted in 2016 and 2017 and it sets out the planning framework for land within the District.

⁴ South Derbyshire Local Plan Part 1 , page 20

⁵ South Derbyshire Local Plan Part 1 , page 51

⁶ South Derbyshire Local Plan Part 2 , page 5

⁷ Include definition

⁸ Hilton Area Profile, page 9

44. In addition, this provides a strong starting point for policy development that aims to build on and add local specificity to those of the Local Planning Authority (LPA) by enabling a comparison to be made with parish-level data (gathered as part of the preparation of this study), given that such an exercise reveals contrasts as well as similarities.

3.2.2 Other relevant data

45. In addition to the LPA evidence base, we have gathered data from a range of other sources to ensure our study is robust for the purposes of developing policy at the neighbourhood plan level. These include Census data providing insights into demographic shifts and Land Registry house price data.

4. RQ 1: Quantity

RQ1: What quantity of Housing in the Plan Area is appropriate over the Plan Period?

46. We have estimated the quantity of housing needed in the NA according to four different sources, including;
 - a. Local Plan
 - b. Strategic Housing Market Assessment (SHMA)
 - c. Ministry of Housing, Communities & Local Government (MHCLG) household projections
 - d. Dwelling growth between 2001 and 2017
47. The calculations are set out below.

4.1 South Derbyshire Local Plan, Part 1 – 2011-2028

48. The South Derbyshire Local Plan, Part 1 puts forward a housing requirement of 12,618 for the district over the Plan Period between 2011 and 2028. The proportional share may be calculated for the NA based on the proportion of homes in the LA. At the time of the last Census there were 3,124 dwellings in the NA, or 7.74% of all homes in the District. Therefore, on this basis 934 homes (7.74% of 12,618 homes) should be allocated as the 'fair share' of the District's target.

4.2 SHMA

49. First, it is important to remember that the SHMA presents a demand-side only, or 'unconstrained' assessment of need (often identified as Objectively Assessed Need, or OAN), as opposed to a final housing target. The final housing target will take into account other factors, including for example the availability of land, the viability of development, planned infrastructure, environmental constraints and consultation findings.
50. The SHMA presents an appropriate starting point for deriving need at the NA level, because it is the most up-to-date evidence available, and importantly, because it takes into account the latest population and household projections, as set out in the 2014 Sub-National Population Projections on which the Household Projections are based - the PPG guidance also suggests that the projections should be taken as a 'starting point' in determining need at the local authority level.
51. In the case of South Derbyshire, the SHMA proposes an annual requirement of 545 dwellings per annum, which is the OAN figure.
52. To calculate the NA's 'fair share' of this target, it is again possible to use Hilton's proportion of all housing in the District (7.74%). This produces a figure of 42 dwellings per annum (rounded). Furthermore, it is necessary to take into consideration homes built in the NA in recent years; since 2011, 94 dwellings have been built; producing a final target of 707 dwellings over the Plan Period, or 42 dwellings per year (rounded).

4.3 MHCLG household projections

53. MHCLG publishes household projections every two years. The NPPG recommends that these household projections should form the starting point for the assessment of housing need.
54. The 2014-based household projections were published in July 2016⁹, and extend to 2039. Whilst these are not the most recent household projections, the government has recently deemed the latest 2016-based household projections as unsound, and therefore we will continue to use the 2014-based household projections.
55. Although population projections are only available at a local authority level, a calculation of the share for the NA is nevertheless possible for the household projections based on the NA's household numbers in the 2011 Census.
56. According to the 2011 Census, South Derbyshire had 38,992 households and the NA 3,028 households, or 7.77% of the total (rounded).
57. In the 2014-based household projections, the projection for South Derbyshire is for 50,568 households in 2035. Assuming the NA continues to form 7.77% of the district total, the NA's new total number of households would be 3,927 (rounded); therefore 899 new households form in the NA between 2011 and 2035.

⁹ See 2014-based MHCLG Household Projections live tables at <https://www.gov.uk/government/statistical-data-sets/live-tables-on-household-projections>

58. The number of households does not, however, equate precisely to number of homes needed, with the latter slightly higher in most places. The NA is no exception; in the 2011 Census, there were 3028 households but 3124 homes. This gives a ratio of 0.97 households per home. In the case of NA, then, a projection of 899 new households translates into a need for 927 homes (rounded to the nearest whole number), or 39 dwellings per year over the plan period (rounded).
59. Taking into consideration homes built in the NA in recent years; since 2011, 94 dwellings have already been built; producing a final target of **833 dwellings over the Plan Period, or 49 dwellings per year** (rounded).

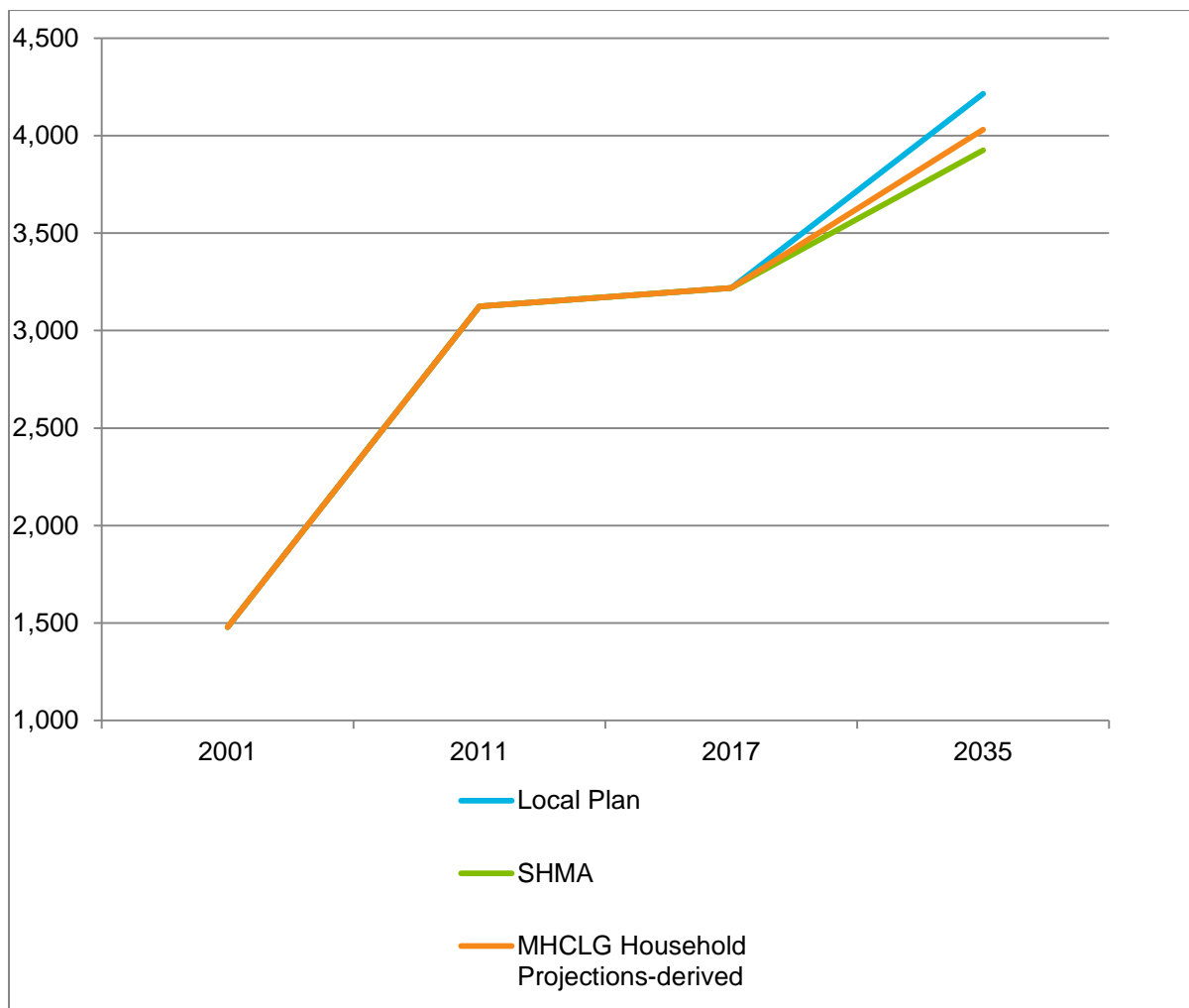
4.4 Home growth 2001 – 2017

60. Consideration of home growth between 2001 and 2011 provides a projection based on the rate of delivery of net new homes between the two Censuses. As we have seen, there was an increase of 1645 homes in the NA between these two dates, or an average annual rate of increase of 165 homes (rounded). Multiplying this annual figure by the number of years remaining of the Plan Period from 2018 would produce 2805 homes. However, it must be noted that this high number is due to the recent development of the former Ministry of Defence site since 2001. This recent development is largely the reason as to why the amount of dwellings in the NA has increased 111% between 2001 and 2011, compared to an increase of just 20% for the wider district. Therefore, it would be excessive and inappropriate to use previous housing growth between 2001 and 2011 to calculate the quantity of housing needed over the Plan Period.
61. It is more accurate to consider a projection based on the rate of delivery of net new homes since the last Census (2011), using data gathered and monitored by the LPA. As we have seen, between 1st April 2011 and the 31st March 2017, 94 new dwellings were completed. This equates to an annual rate of delivery of 16 homes (94 divided by 6, the number of years elapsed). If this rate of delivery was continued to 2035, this would equate to **a projection of 266 homes over the Plan Period.**

4.5 Preliminary housing target

62. Figure 4-1 compares the total number of homes under each of the projections we have identified for Hilton starting from 2001 and ending at the end of the Plan Period, in 2035.

Figure 4-1: Dwelling projections for Hilton, 2001-2035



Source: AECOM Calculations

63. To arrive at an overall projection for the quantity of housing to be delivered in the NA over the Plan Period, we have averaged the projections set out above. However, the following should be noted:
64. The dwelling completions 2001-2017 derived projection is based to a significant extent on the supply side. To reflect the fact that HNAs should not be constrained by supply-side considerations, this projection has not been used for the purpose of arriving at an overall projection.
65. Although the Local Plan-derived projection represents a balance between demand and supply, it has been included in the overall calculation to reflect its importance with regard to Basic Condition E. We depart from this approach if we have reason to believe a given projection should be awarded more weight than others, or should be excluded. For example, if the Local Plan was out-of-date in planning terms, or another projection was a clear outlier.
66. Table 4-1 shows these projections and the average of the projections used to arrive at an interim housing target.

Table 4-1: Total Housing Need

Projection		Total housing need in Hilton
1	Local Plan fair share	997
2	SHMA fair share	707
3	MHCLG household projections fair share	813
4	Home growth (2011 – 2017)	266
Average of 1, 2 and 3		839

Source: AECOM Calculations

67. Therefore, the projections outlined above produce an interim housing target of 839 dwellings in Hilton by 2035.
68. Following the presentation and comparison of the quantitative projections and the derivation of an interim housing target, the next step, in line with the PPG approach is to assess the interim target (or range) against market signals which may raise or lower them as appropriate.

5. Market Signals

69. 'Market signals' may be taken into account when assessing housing need, given they provide an indication of the balance between demand and supply.
70. These market signals relate to trends discernable within the housing market, and broader economic trends that have an impact on the neighbourhood housing market.
71. Where there is evidence of an imbalance in supply and demand, an increase in planned housing numbers – compared to those derived solely from household projections – may be required in order to increase the supply of housing to meet demand and tackle affordability issues.
72. In discussions with South Derbyshire and Hilton as to the appropriate levels of market dwellings in the NA it will be necessary to consider factors that suggest either an uplift or reduction. This study considers the following market signals:
 - Employment and commuting trends;
 - Migration;
 - Housing Market (Prices);
 - Housing Market (Volume);
 - Overcrowding and concealment; and
 - Rate of Development.

5.1 Employment and Commuting

73. Local employment trends can greatly influence housing needs as employment opportunities can stimulate demand in the plan area. It is therefore important to establish the employment sphere of influence experienced by the residents of the NA.
74. Table 5-1 below shows that the economic profile of Hilton is fairly similar to that of South Derbyshire. 74.2% are economically active in Hilton which is slightly higher than the 72.5% that are economically active in South Derbyshire. Likewise, there are slightly less economically inactive people in Hilton than South Derbyshire (25.8% against 27.5%). There is, however, a significant amount of those who are self-employed in Hilton (15% against 9.2% for South Derbyshire and 9.8% nationally). Both Hilton and South Derbyshire have an economic profile that differs to the national average. In particular, Hilton has a higher economically active rate than the national average (74.2% against 69.9%), a higher amount of those in full time employment (39.4% against 13.7%) whilst part time employment is less than half the national average (15.7% against 38.6%).

Table 5-1: Economic Activity in Hilton

Economic category		Hilton	South Derbyshire	England
Economically active	Total	74.2%	72.5%	69.9%
	Employee: Full-time	39.4%	42.8%	13.7%
	Employee: Part-time	15.7%	14.8%	38.6%
	Self-employed	15.0%	9.2%	9.8%
	Unemployed	2.1%	3.1%	4.4%
	Full-time student	2.0%	2.6%	3.4%
Economically inactive	Total	25.8%	27.5%	30.1%
	Retired	14.2%	14.8%	13.7%
	Student	4.0%	3.6%	5.8%
	Looking after home or family	4.3%	4.0%	4.4%
	Long-term sick or disabled	1.1%	3.5%	4.1%
	Other	2.3%	1.6%	2.2%

Source: ONS 2011, AECOM Calculations

75. As shown in Table 5-2 below, a significant proportion of Hilton residents work within 10 km of their home although this is less than the District average (30.2% against 48.4% of those in the District). A further 28.7% work between 10km – 30km from home compared to the district and national averages of 23.9% and 21% respectively). There is also a significant 20.5% that work mainly at home, compared to just 10.6% of those in the District.

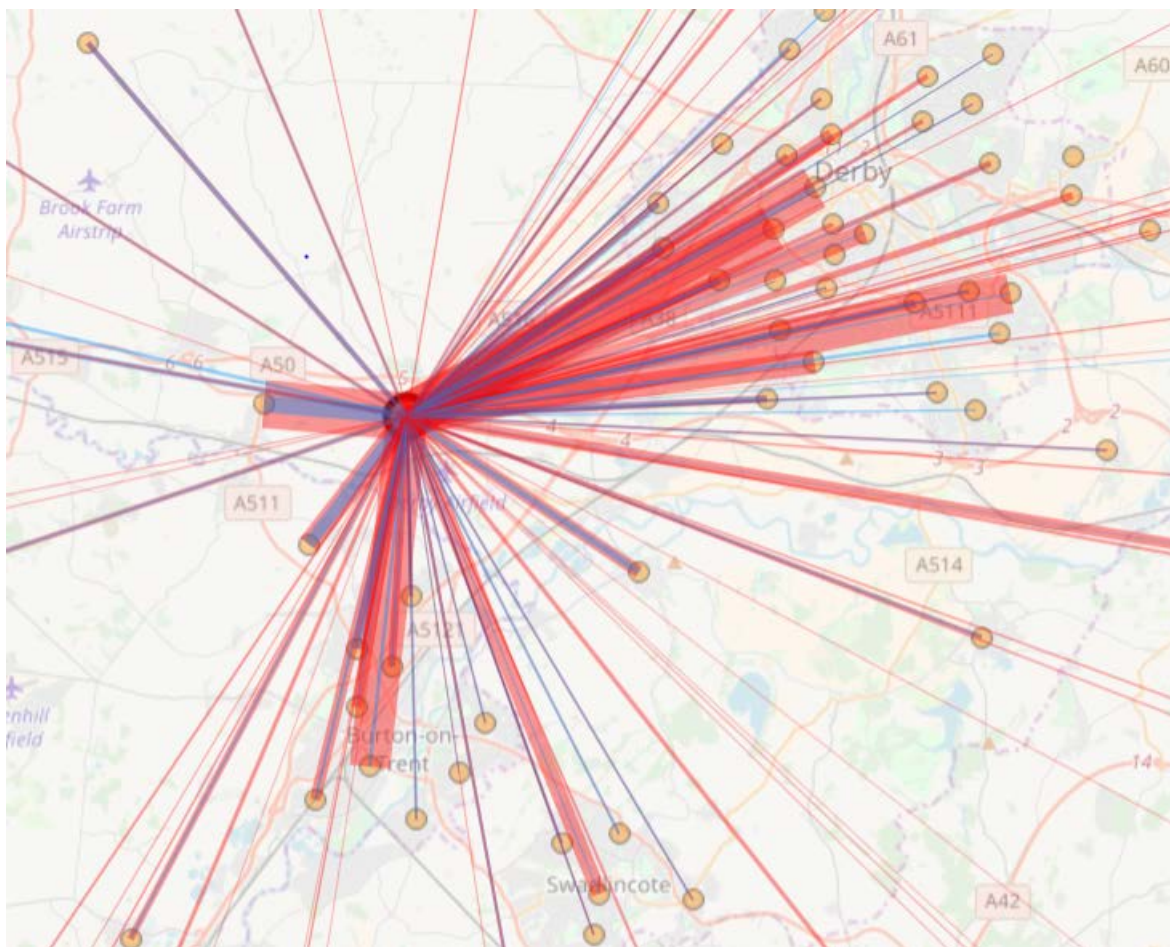
Table 5-2: Distance to work, 2011

Location of work	Hilton	South Derbyshire	England
Less than 10km	30.2%	48.4%	52.3%
10km to less than 30km	28.7%	23.9%	21.0%
30km and over	14.7%	10.4%	8.0%
Work mainly at or from home	20.5%	10.6%	10.3%
Other	5.8%	6.8%	8.5%
Average distance travelled to work	26.7km	16.4km	14.9km

Source: ONS 2011, AECOM Calculations

76. As seen in Figure 5-1 below, the majority of commuting flows within 10km of Hilton are to Burton-on-Trent and Hatton. The majority of long distance flows between 10km and 30km are to destinations in and around the city of Derby. Considering the large commuting flows to Burton on Trent and Derby, it is necessary to pay attention to future development and economic growth at these destinations as they could generate further demand for housing in the NA. Moreover, Burton on Trent and Derby have also been highlighted in the Derby HMA Strategic Housing Market Assessment Update as areas that can influence the local housing market in Hilton.

Figure 5-1: Commuting Flows from Hilton



Source: <http://commute.datashine.org.uk>

5.2 Migration

77. Table 5-3 below suggests that 95.5% of Hilton residents were born in the UK. Of the 4.5% residents born outside the UK, 2.4% have resided in the UK for at least 10 years. This suggests that international migration plays a limited role in influencing demand for housing in the area as the NA international migration rate is low compared to the average in England and the majority of international migrants in Hilton have resided in the area for a significant period of time.

Table 5-3: Country of birth and length of residence, Hilton 2011

Place of birth	Population breakdown		Hilton	Dover	England
Born in the UK	Total		95.5%	96.1%	86.2%
Born outside the UK	Total		4.5%	3.9%	13.8%
	EU		2.0%	1.5%	3.7%
	Other		2.5%	2.4%	9.4%
	Length of residence	Less than 2 years	0.5%	0.3%	1.8%
		2-5 years	0.6%	0.4%	2.2%
		5-10 years	1.1%	0.7%	2.9%
		10 years or more	2.4%	2.5%	7.0%

Source: ONS 2011, AECOM Calculations

5.3 Housing Market (Prices)

78. The PPG advises that house prices should be used as an indication of the strength of demand for housing, and adequacy of supply to meet demand¹⁰. It makes clear that house prices can be used to provide a 'market-base' enabling: "the identification of areas which have clearly different price levels compared to surrounding areas. The findings provide information about differences across the area in terms of the price people pay for similar housing, market 'hotspots', low demand areas and volatility." This is then used as a signal to adjust demographically based housing projections in response to the actual housing market.
79. In Table 5-4 below we have analysed house prices achieved in 2018 in Hilton to gain an understanding of the latest prices for different property types and how they compare to the wider postcode area, South Derbyshire and England. The mean price for dwellings in Hilton is £213,395, which is more affordable than the postcode and District averages (£245,778 and £228,535 respectively).
80. A closer analysis at the individual house types reveals that Hilton is more affordable than the wider postcode and District for all house types, with the slight exception of semi-detached and terraced homes.

Table 5-4: Mean House Prices (2018)

Mean	Detached	Semi-detached	Terraced	Flats and maisonettes	All
Hilton	£268,268	£187,649	£174,346	£108,083	£213,395
DE65	£313,152	£194,625	£171,795	£115,756	£245,778
South Derbyshire	£301,760	£176,701	£148,642	£215,341	£228,535
England	£334,848	£207,998	£178,874	£201,364	£221,790

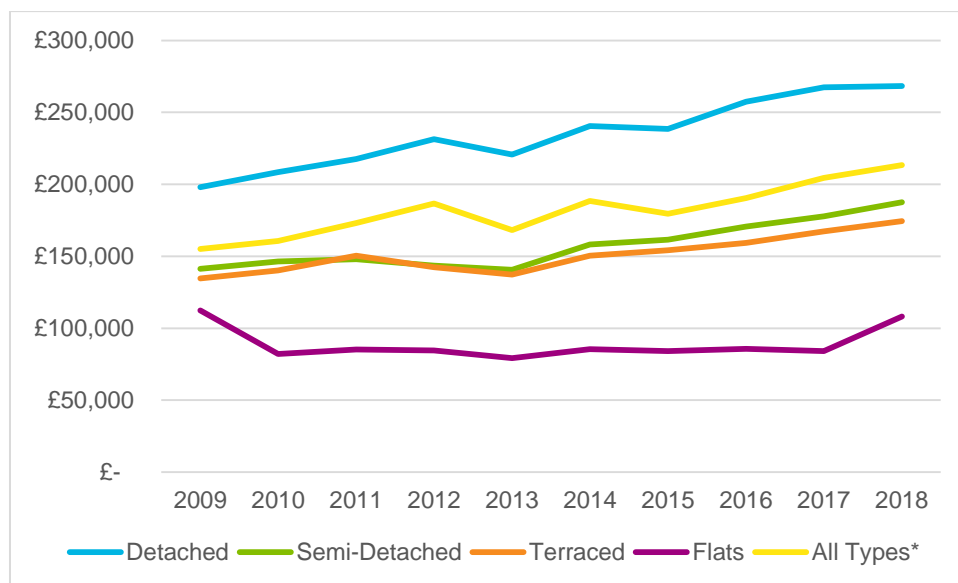
Source: Land Registry, UK House Price Index, AECOM Calculations

81. To assess evolution in the housing market in Hilton we have analysed data from the Land Registry. Data was downloaded for the NA, the wider postcode area and the District for the period of January 2009 to December 2018 and is presented in the figure below, divided by type of home and showing average price for each year.
82. It is evident in Figure 5-2 that despite the fluctuations in prices paid for homes between 2009 and 2018, overall the price paid has increased for all home types with the exception of flats. The prices paid for flats dropped in 2010 and

¹⁰ PPG Paragraph: 010 Reference ID: 2a-010-20140306

has only recently begun to recover. Other home types have enjoyed a steady increase in prices since 2015. Yet this increase in prices is not substantial nor does it suggest a growing demand or lack of supply.

Figure 5-2: Hilton Price Paid Data between January 2009 and December 2018



Source: Land Registry, AECOM Calculations

83. The mean house prices in Hilton are generally lower than across South Derbyshire. As seen in Table 5-5, this disparity has decreased slightly between 2009 and 2018 from -8% to -7%. The price of detached homes have also decreased in disparity between the LA and the District in this period, from -19% difference to -12%. Meanwhile, the biggest increase in percentage difference between Hilton and South Derbyshire over this period has been in the Flats category rising from 7% to -99%, due to the price of flats steadily decreasing in this period compared to a significant rise in the value of Flats in the wider District.. However, for semi-detached and terraced homes, these homes continue to be more expensive.

Table 5-5: Evolution of mean house prices 2009-2018

	2009				2018			
	Hilton	South Derbyshire	Difference	% Diff	Hilton	South Derbyshire	Difference	% Diff
Detached	£198,111	£235,415	-£37,305	-19%	£268,268	£301,760	-£33,493	-12%
Semi-Detached	£141,206	£131,410	£9,797	7%	£187,649	£176,701	£10,948	6%
Terraced	£134,560	£115,464	£19,097	14%	£174,346	£148,642	£25,704	15%
Flats	£112,279	£104,182	£8,096	7%	£108,083	£215,341	-£107,258	-99%
All Types	£155,051	£167,353	-£12,302	-8%	£213,395	£228,535	-£15,140	-7%

Source: Land Registry, AECOM Calculations

84. Prices rising faster than other areas are a better indicator of a supply problem. This is reinforced by the Planning Advisory Service’s (PAS) recent technical advice note on Objectively Assessed Needs and Housing Targets which advises at paragraph 5.38¹¹ that, “Proportional price change is generally a better indicator than absolute price”. Based on that, Table 5-6 below uses Land Registry data to calculate the average price increase in Hilton between 2008 and 2017. This is benchmarked against the average price increase for the wider postcode area and for the LA.
85. Table 5-6 shows that price growth in the NA has been 7% more than that of the wider South Derbyshire District. The table also shows the price growth in the wider DE65 area and it is clear that poor price growth is also prevalent in the wider postcode area. This is especially true for the price growth of Flats which has risen by 63% in the District, 35% in the DE65 postcode area and collapsed by -17% in Hilton. Meanwhile for terraced housing the price growth difference between Hilton and the postcode area is only 9% compared to a -25% decline with the District as a whole. In contrast, detached and semi-detached house price growth is closer to District levels than the postcode levels.

¹¹ <https://www.local.gov.uk/sites/default/files/documents/objectively-assessed-need-9fb.pdf>

Table 5-6: Hilton, DE65 and South Derbyshire price growth/decline

	Hilton	DE65	South Derbyshire	Difference Hilton – DE65	Difference Hilton – South Derbyshire
Detached	35%	30%	28%	6%	7%
Semi-Detached	33%	40%	34%	-7%	-2%
Terraced	30%	27%	29%	3%	1%
Flats	-4%	1%	107%	-5%	-110%
All Types	38%	40%	37%	-3%	1%

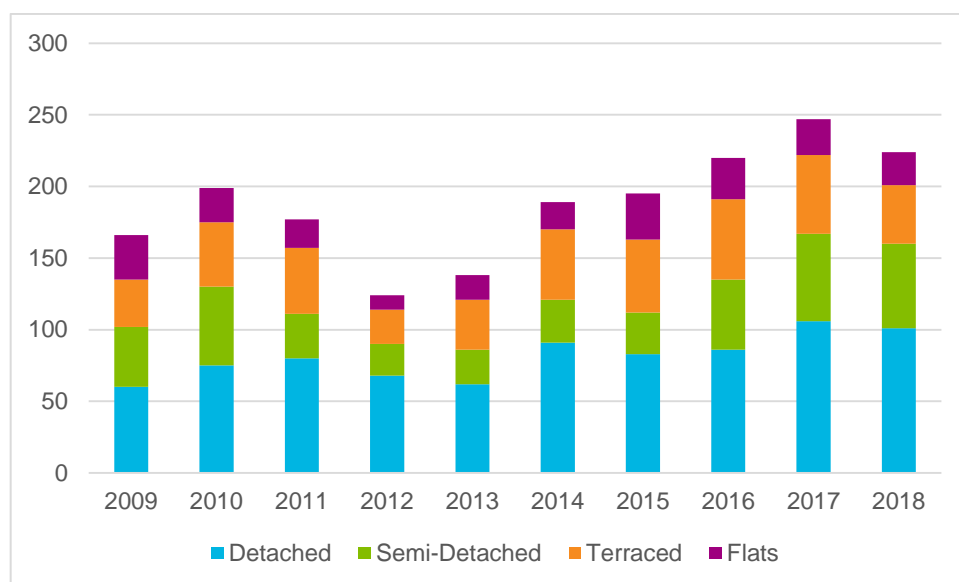
Source: Land Registry PPD, AECOM Calculations

86. Bringing the evidence together, it is clear that house prices in the NA are increasing modestly compared with the wider area, with the exception of flats, which have declined slightly. It must be noted however, that the modest increase in house prices is most likely due to the significant delivery of homes on the Ministry of Defense site and there caution should be applied when acknowledging the modest price increase in the NA compared with the wider area.

5.4 Housing Market (Transactions)

87. Assessing housing sales over time is an important indicator in assessing demand for different types of housing. Figure 5-3 below presents Land Registry data for housing sales for different dwelling types in Hilton.
90. This data is carried forward into Table 5-7, which includes figures for housing stock in Hilton as a whole added alongside for reference. The data shows that the throughout the period between 2009 and 2018, the majority of homes sold have been detached homes. Semi-detached and terraced housing also accounted for a significant proportion of all homes sold in this period. Meanwhile the amount of flats sold has fluctuated throughout this period, but always being a small minority of overall sales. The amount of flats sold has decreased from 310 flats in 2009 to just 23 in 2018. The amount of housing has increased significantly over the period from an overall total of 166 homes sold in 2009 to 244 homes in 2018.

Figure 5-3: Volume of Property Sales in Hilton by Property Type (2009 – 2018)



Source: Land Registry PPD, AECOM Calculations

91. Another approach to benchmarking whether sales volumes represent a clear market signal indicating inflated or depressed demand across different housing types is to compare the proportion of sales of each type of housing (excluding any new builds, which would introduce supply-side factors) with the proportion of the existing housing stock that falls into each category. This allows conclusions to be drawn about whether the sale of homes of each type is occurring proportional to their availability, or whether there is unmet demand.
92. The comparison shown in Table 5-7 below reveals that housing sales for detached, terraced and flat properties are misaligned with the amount of housing stock available. It seems likely that the rapid turnover of flats, but with no

corresponding price increase, indicates that flats are being purchased as entry-level properties, i.e. the first rung of the ladder to eventual house purchase.

Table 5-7: Housing Sales and Stock in Hilton

	Housing sales in Hilton	Housing stock in Hilton	Housing stock in South Derbyshire
Detached	43%	49%	40%
Semi-Detached	21%	21%	35%
Terraced	23%	17%	18%
Flats	12%	13%	7%

Source: Land Registry PPD, AECOM Calculations

93. Bringing the evidence together, it is clear that the sale of properties have been rising significantly since 2013. In particular, the sales of terraced homes have increased significantly and are far higher than its proportional stock in Hilton, which suggests unmet housing demand for this type. Although the overall sale of flats has declined significantly, the sale of flats is also much higher than its housing stock, and this may signal further unmet demand for housing in Hilton.

5.5 Rate of Development

94. Planning Practice Guidance suggests that, “If the historic rate of development shows that actual supply falls below planned supply, future supply should be increased to reflect the likelihood of under-delivery of a plan”.¹²
95. For that, we consider a projection based on the rate of delivery of net new homes since the last census (2011), using data gathered and monitored by the LPA. Between the years 2011 and 2016/17 a total of 94 dwellings have been delivered as shown in Table 5-8.

Table 5-8: New Build Completions in Hilton, 2011 - 2017

	2011-12	2012-12	2013-14	2014-15	2015-16	2016-17	Total
New build completions	40	4	1	1	3	45	94

Source: South Derbyshire District Council, AECOM Calculations

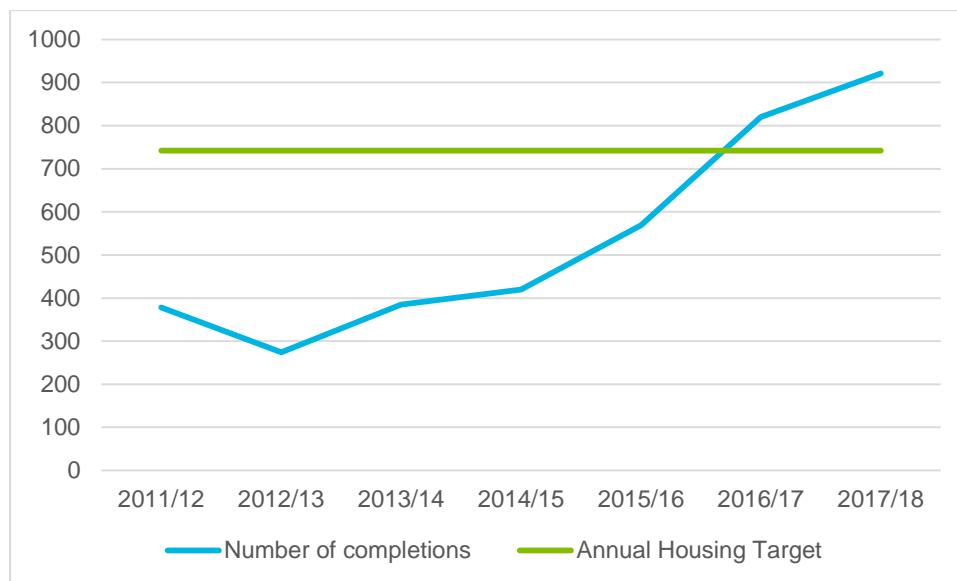
96. The core strategy has an annual dwelling requirement of 742 dwellings per annum (rounded). The “fair share” of that target for Hilton is 57 dwellings per annum (rounded). Based on that figure, 342 homes should have been completed between 2011 and 2017 (57 multiplied by the number of years between 2011 and 2018). Yet, as revealed in Table 5-8, the 342 target has not been reached leaving a shortfall of 248 homes for the 2011- 2017 period.
97. Figure 5-4 below uses data from the South Derbyshire Council Annual Monitoring Report 2017 – 2018 to benchmark housing completions against the Local Plan annual target of 742 dwellings between 2011/12 and 2017/18. It is clear from Figure 5-4 that also across the wider district the annual target historically has not been met. However, the number of completions has exceeded the annual housing target since the monitoring year of 2016/17. Nevertheless, this creates a shortfall of 1,606 homes for that period. The 2016/17 monitoring report claims this is largely due to lack of supply from committed sites and economic conditions following the global financial crisis¹³. However, the delivery of homes has been increasing significantly since 2013 finally surpassing the annual target in 2016/17 due to the adoption of the Local plan part 1 and 2. South Derbyshire expects to deliver significantly higher levels of homes going forward to address this shortfall¹⁴.

¹² PPG Paragraph: 019 Reference ID: 2a-019-20140306

¹³ South Derbyshire Council Annual Monitoring Report 2016 – 2017. pg12

¹⁴ South Derbyshire Council Annual Monitoring Report 2016 – 2018. pg12

Figure 5-4: Net housing completions 2011/2012 – 2017/2018



Source: South Derbyshire Council Annual Monitoring Report 2017 – 2018, AECOM Calculations

5.6 Overcrowding and Concealment

98. The PPG suggests that another indicator of demand in the housing market is the prevalence of overcrowding in the NPA. This is because demand for housing in the area can manifest itself in the over-occupation of housing stock.
99. One of the most reliable indicators of overcrowding is the ‘persons per room’ data collected at the household level during the Census. The relative proportion of households occupying different amounts of space in the NA and the borough is shown in Table 5-9 below. It is clear that overcrowding has decreased significantly in the NA. The most extreme category of overcrowding has been reduced by 100% whilst homes with 1 – 1.5 persons per room has reduced by 50%. This improvement is in stark contrast to the increased overcrowding experienced elsewhere in South Derbyshire. Nevertheless, it is evident that the significant reduction in overcrowding does not suggest further demand for housing in the NA.

Table 5-9: Trends in number of persons per room in Hilton, 2001-2011

Persons per room	Hilton	South Derbyshire	England
Up to 0.5 persons per room	-69.0%	22.0%	7.9%
Over 0.5 and up to 1.0 persons per room	-82.3%	6.9%	7.0%
Over 1.0 and up to 1.5 persons per room	-50.0%	24.3%	27.3%
Over 1.5 persons per room	-100.0%	2.1%	2.5%

Source: ONS 2011, AECOM Calculations






100. A further indicator of increased housing demand is the presence of concealed families in the NA. A concealed family is one living in a multi-family household in addition to the primary family, such as a young couple living with parents¹⁵. ONS data shows that 0.6% of families in Hilton is concealed, which represents only 2 families in the NA. This is lower than the 1.2% of families in South Derbyshire, which are concealed, which suggests that concealed families are not an issue in the NA.
101. Bringing the evidence together, it is clear that overcrowding has improved dramatically over the period between 2001 and 2011 and is not considered an issue that will affect housing demand in the NA.

¹⁵ <http://webarchive.nationalarchives.gov.uk/20160105222245/http://www.ons.gov.uk/ons/rel/census/2011-census-analysis/what-does-the-2011-census-tell-us-about-concealed-families-living-in-multi-family-households-in-england-and-wales-sty-what-does-the-2011-census-tell-us-about-concealed-families.html> (visited 01/09/17)

5.7 Conclusions- market signals

102. We have applied our professional judgment on the scales of increase and decrease associated with each factor on a scale from one to three, where one arrow indicates 'some impact', two arrows 'stronger impact' and three arrows indicates an even stronger impact. Factors are set out in the table below in alphabetical but no other order.

Table 5-10: Summary of factors specific to Hilton with a potential impact on neighbourhood development plan housing quantity

Factor	Source(s)	Possible impact on future housing need	Rationale for judgement
Employment and Commuting	http://commute.datashine.org.uk ONS Census Data		A significant proportion of Hilton residents work within 10 km of their home (30.2%). However, there are also significant commuting flows to Burton on Trent and Derby, and therefore it is necessary to pay attention to future development and economic growth at these destinations as they could generate further demand for housing in the NA.
Migration	ONS Census Data		International migration plays a limited role in influencing demand for housing in the area as the NA international migration rate is low compared to the District and England and the majority of international migrants in Hilton have resided in the area for a significant period of time.
Housing Sales (Prices)	Land Registry Price Paid Data for 2009-2018		The analysis of house prices suggests that demand for housing is not particularly strong in the NA and demand is mostly met by supply.
Housing Sales (Volume)	Land Registry Price Paid Data for 2009-2018, Census 2001/2011 data,		Sales of properties have been rising significantly since 2013. In particular, the sales of terraced homes have increased significantly and are far higher than its proportional stock in Hilton, which suggests unmet housing demand for this type. Although the overall sale of flats has declined significantly, the sale of flats is also much higher than its housing stock, and this may signal further unmet demand for housing in Hilton.
Rate of development	AECOM Calculations, South Derbyshire Council Annual Monitoring Report 2016 – 2017		Despite the recent improvements in delivery across the District, it is necessary for the District to increase the housing needs figure to address the shortfall across the between 2011 and 2016. However, this period is relatively short and there is no specific evidence linking this need for increase to the NA

Overcrowding and Concealment	Census Data 2001, 2011	↓	specifically. Bringing the evidence together, it is clear that overcrowding has improved dramatically over the period between 2001 and 2011 and is not considered an issue that will affect housing demand in the NA.
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Application of market signals

Above we have summarised our conclusions regarding the impact of market signals on the quantity of housing needed in Hilton. On this basis, we recommend that no uplift should be applied to the interim housing target calculated in the Quantity section.

This creates a final HNF of 839.

Although there is no definitive guidance on what level of uplift is appropriate, evidence from the Inspector examining the Eastleigh Local Plan (Hampshire) and from the Planning Advisory Service (PAS) indicate that 20% uplift is applied when market signals are very substantial and 10% when they are modest. The PAS Objectively Assessed Need and Housing Targets Technical Advice Note (July 2015) supports this approach as a method to estimate the uplift and says that “*where the evidence suggest moderate under-provision...the projected housing need might be increased by 10%*”.

6. RQ 2: Tenure

What Affordable Housing (social housing, affordable rented, shared ownership, intermediate rented) and market housing tenures should be included in the housing mix?

91. Tenure refers to the legal arrangements in place that enable a household to live in their home; it determines their rights and influences the level of payments to be made in return for these rights. Broadly speaking, tenure falls into two categories, Affordable Housing and Market Housing, depending on whether the household benefits from a subsidy of some sort to enable them to live in their home.
92. We will address this section by examining the tenure of dwellings in the current stock and recent supply, and make an assessment, based on a reasonable interpretation of the evidence we have been able to gather, whether continuation of these trends would meet future needs; or, alternatively, whether there exist misalignments between the supply of different tenures of housing and local need. Such misalignments can justify policies that guide new development to prioritise certain tenures, so as to bring supply and demand into better alignment¹⁶.

6.1 Definitional issues

93. It is necessary at this stage of the study to make clear the distinction between Affordable Housing as planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, abbreviated to ‘AH’. We mean by this those forms of housing tenure that fall within the definition of Affordable Housing set out in the current National Planning Policy Framework (NPPF): Social Rent, Affordable Rent, Affordable Private Rent (brought forward by Build to Rent schemes) and forms of AH designed to offer affordable routes to home ownership¹⁷. To distinguish this from the colloquial definition, we refer to the latter as Affordable Market Housing (AMH).
94. The definition of Affordable Housing set out in the NPPF make clear the government’s commitment to home ownership but recognise the important role of Social, Affordable and Private Rent tenures for those not currently seeking home ownership.
95. It is important to note however that the 2012 version of the NPPF refers to the ‘national rent regime’ not ‘Government’s rent policy’. It has been suggested that this change in wording may give central Government, and by extension local authorities, wider flexibility in arriving at rents. It may also lead to the abolition of Social Rent as it has been understood in recent years.¹⁸

¹⁶ PPG Paragraph: 021 Reference ID: 2a-021-20160401

¹⁷ NPPF, July 2018

¹⁸ McGready, B, Affordable Housing and Planning, MBL seminars, April 2018

96. The revisions seek to broaden the definition of Affordable Housing to include a range of low cost housing opportunities for those aspiring to own a home, including Starter Homes.
97. In paragraph 64 of the new NPPF, Government introduces a recommendation that, *'where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership'*. In line with national policy¹⁹, the assumption should be that 'major housing development' can be defined as sites of 10 or more units, and that affordable home ownership includes Starter Homes, Shared Ownership homes and homes available for discount market sale.

6.1.1 Current tenure profile

98. First, it is necessary to present a picture of tenure in the NA based on the most recent reliable data. The table below shows Census data from 2011 that reveals a lower level of households in social rented home than the District (5.5% against 9.9%). However, shared ownership is slightly higher in the NA than the District (0.5% against 0.3%).

Table 6-1: Tenure (households) in Hilton, 2011

Tenure	Hilton	South Derbyshire	England
Owned; total	79.3%	75.4%	63.3%
Shared ownership	0.5%	0.3%	0.8%
Social rented; total	5.5%	9.9%	17.7%
Private rented; total	14.3%	13.0%	16.8%

99. Source: AECOM Calculations

100. Table 6-2 allows us to take a longitudinal perspective, identifying how the tenure profile of the NA has changed between the last two censuses. From this, it is clear that there has been a substantial increase in the amount of homes in both social and private rental sectors (110% and 1073% respectively). There has also been an 81.5% increase in home ownership in the NA. It must be noted that these significant increases are a result of the 111% of dwellings built in the NA between 2001 and 2011 on the former Ministry of Defence site. There has also been an increase in shared ownership homes from 0 to 16 homes (as seen in Table 6-3).

Table 6-2: Rates of tenure change in Hilton, 2001-2011

Tenure	Hilton	South Derbyshire	England
Owned; total	81.5%	12.5%	-0.6%
Shared ownership	0.0%	32.3%	30.0%
Social rented; total	110.1%	-0.8%	-0.9%
Private rented; total	1073.0%	180.0%	82.4%

Source: AECOM Calculations

101. It is evident from both Table 6-3 and Table 6-4 that shared ownership properties are limited in the NA. In contrast, there has been a significant increase in both social and private rental sectors. However, home ownership continues to dominate the housing market mix in the NA and the District.

Table 6-3: Tenure change in Hilton, 2001-2011

Tenure	2001		2011	
	Hilton	South Derbyshire	Hilton	South Derbyshire
All categories - Total	1459	32995	3028	38992
Owned	1322	26152	2400	29416
Shared ownership	0	99	16	131
Social rented	79	3908	166	3877
Private rented	37	1817	434	5087

¹⁹ See Planning Practice Guidance, Paragraph: 023 Reference ID: 23b-023-20190315, at <https://www.gov.uk/guidance/planning-obligations>

Source: ONS 2011, AECOM Calculations

102. To provide a more accurate analysis of tenure change between 2001 and 2011, it is necessary to compare the change between the rates of different tenures between the two census periods. It is clear in Table 6-4 that there has been a decline in home ownership in both the NA and the District over the period, although this is more acute in the NA (-11% against -4% in the District). This change has been mirrored with a significant increase in private rented homes in both the NA and the District (12% and 7% respectively). This increase is also acknowledged in the SHMA²⁰, which suggest this is partially due to a shift from social rented homes to private rented homes made affordable with local housing allowance. It is expected that this shift will continue to grow and private rented homes will continue to contribute to meeting Affordable Housing need over the plan period.

Table 6-4: Change of tenure in Hilton, 2001-2011

Tenure	2001		2011		Hilton change 2001-11	South Derbyshire Percentage Change 2001-11
	Hilton	South Derbyshire	Hilton	South Derbyshire		
Owned: Total	91%	79%	79%	75%	-11%	-4%
Shared ownership (part owned and part rented)	0%	0%	1%	0%	1%	0%
Social rented: Total	5%	12%	6%	10%	0%	-2%
Private rented: Total	3%	6%	14%	13%	12%	7%

Source: ONS 2011, AECOM Calculations

103. It is also useful to analyse the delivery of homes since the last census period of 2011. Table 6-5 shows that there has been a significant increase in the amount home ownership homes built since 2011. There has been a 61% increase in home ownership dwellings built in 2016/17 compared to 2011/12, although there was a substantial dip in number of dwellings built between these two dates. Moreover, intermediate Affordable Housing (which includes shared ownership dwellings) and social rented homes were only delivered in 2011/12 with 7 and 5 dwellings completed respectively. It must be noted that a comparison in the private sector is not possible due to a lack of data available.

Table 6-5: Housing Delivery in Hilton by Tenure, 2011-2017

Tenure	2011 /12	2012 /13	2013 /14	2014 /15	2015 /16	2016 /17	Total	Percentage difference
Owned; total	28	4	1	1	3	45	82	61%
Intermediate Affordable	7	0	0	0	0	0	7	-100%
Social rented	5	0	0	0	0	0	5	-100%
Total	40	4	1	1	3	45	94	13%

Source: ONS 2011, AECOM Calculations

104. Whilst there was a 13% increase in total homes delivered in 2016/17 compared to 2011/12, the trends in the period between 2011 and 2017 contrast to those of 2001 – 2011. Whilst there was a decline in home ownership between 2001 and 2011, this was the most common house type that was delivered between 2011 and 2017. Even during the dip period between 2012 and 2016, home ownership was the only house type delivered in this period. However, comparing Table 6-3 with Table 6-4, it is clear that Home Ownership remains the most dominant tenure type through these periods.

105. Bringing the evidence together, there is clearly a fluctuating trend between tenure types. Whilst it is clear that the private rental sector increased and home ownership decreased significantly in both the NA and the District between 2001 and 2011, the trends are less clear between 2011 and 2012. Home ownership has increased significantly since 2015, after a period of significant decline. Meanwhile, the delivery of Social Rented and Intermediate Affordable Housing has remained low throughout the periods between 2001 and 2017.

106. Overall, it is clear that despite various fluctuations, Home ownership remains the most dominant tenure type in the NA. Home ownership continues to form a significant proportion of dwellings in the NA, but the growth of this sector

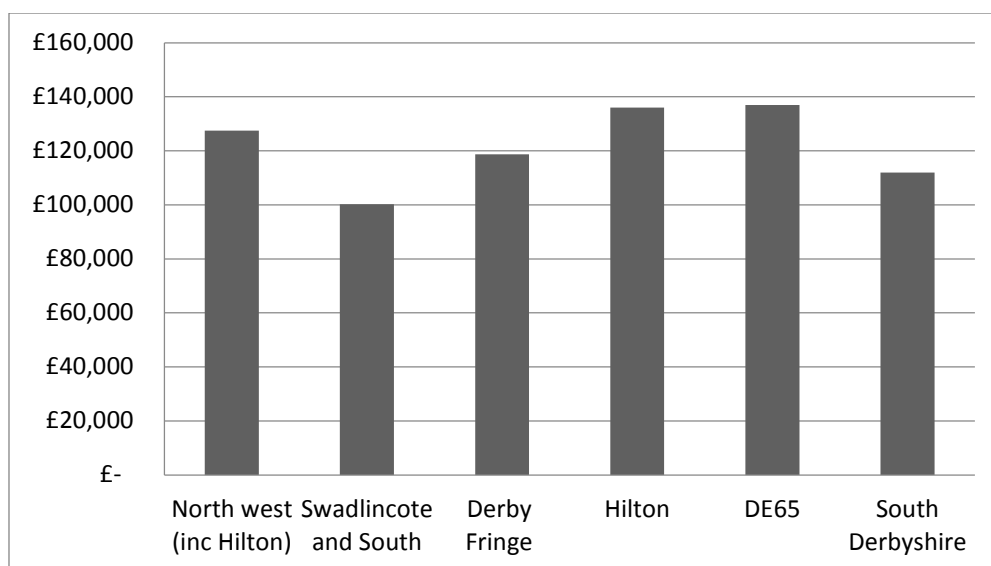
²⁰ Derby HMA Strategic Housing Market Assessment Update 2013

has only recently increased. Low growth rates are also experienced in the social rented sector, which is partially explained by the shift towards private rental dwellings that are made affordable with local housing allowance.

6.2 Affordability

107. In order to understand whether the tenure profile of the current stock reflects the needs of the population currently and over the Plan period, an important starting point is to consider whether this profile provides different market segments access to dwellings of a suitable type and size given their household composition.
108. In line with the PPG, we have considered evidence of affordability by looking specifically at the relationship between lower quartile house prices and incomes, as expressed in the Lower Quartile Affordability Ratio²¹ (LQAR) and the Median Affordability Ratio²² (MAR). While this is a relatively crude measure of affordability, as it does not take account of the cost of servicing mortgage debt, it is a useful basic measure for benchmarking affordability changes over time. Higher ratios tend to indicate less affordable housing, greater demand and difficulty for households to get onto the property ladder.
109. Due to the lack of data at the local level, it is necessary to use figures from the Derby HMA Strategic Housing Market Assessment Update (SHMA) to calculate the LQAR and MAR. The data in Table 6-6 relates to the sub market areas within the South Derbyshire District. The NA is within the North West sub-market area. It is evident from Table 6-6 that the NA and the wider postcode areas have a similar lower quartile property price. However there is a difference in between these two areas and the North West sub-market area lower quartile price. This is most likely due to differences in calculation methods. The figures for Hilton, DE65 postcode area and South Derbyshire are based on Land Registry data and include lower quartile house prices for all home sizes. Meanwhile, the sub market figures only reflect 1-4 bedroom homes and have been calculated differently in the SHMA. Moreover, the SHMA notes that prices were reduced on average by 8% to take account of the difference between asking prices and prices paid based on information from the Hometrack website. On this basis, given that the difference between the NA and North West sub market figures is -7%, the sub-market figures may be accepted as a reasonable proxy.

Table 6-6: Lower Quartile House Prices, 2012



Source: AECOM Calculations, Derby HMA Strategic Housing Market Assessment Update 2013

110. Table 6-7 reproduces the data from Figure 86 in the SHMA. The entry level purchase prices were calculated by using a desktop survey based on internet sources.

Table 6-7: Entry-level Purchase Price by Sub-Area

	Derby Fringe	North west (inc. Hilton)	Swadlincote and South
4 bedroom	£193,000	£211,000	£166,000
3 bedroom	£135,000	£126,000	£101,000

²¹ See glossary

²² See glossary

2 bedroom	£92,000	£101,000	£79,000
1 bedroom	£55,000	£72,000	£55,000

Source: Derby HMA Strategic Housing Market Assessment Update 2013

111. Below we reproduce Figure 98 from the SHMA, which sets out the Lower Quartile Price Income Ratios by Sub-Area, with prices based on 2 bedroom Homes.

Figure 6-1: Lower Quartile Price Income Ratios by Sub-Area (prices based on 2 bedroom home)

Sub-area	Entry-level Purchase Price	Lower Quartile Income
Derby Fringe	£92,000	£18,910
North west	£101,000	£22,282
Swadlincote and South	£79,000	£14,665
South Derbyshire District	£86,433	£16,739

Source: Derby HMA Strategic Housing Market Assessment Update 2013

112. From the data presented above it is possible to deduce a LQAR of 4.5, assuming an entry level dwelling of two bedrooms (suitable for a households of 2-4 individuals) shown in Table 6-7 of £101,000, and a lower quartile income of £22,282.
113. To arrive at a median affordability ratio, it is again necessary to use data found in the Derby HMA Strategic Housing Market Assessment Update 2013 (SHMA). The median incomes in South Derbyshire are shown in Table 6-8 below, reproducing the data from Figure 97 in the Derby HMA Strategic Housing Market Assessment Update 2013 (SHMA).
114. For the purposes of this exercise, we again assume a two bedroom home, but data on median prices for 2 bedroom properties are not available. It is therefore necessary to use the median price for terraced homes in the NA, which is £147,998, as an alternative. Using a median income of £40,701 as shown in Table 6-8 below produces a MAR of in 2016 of 3.6.

Table 6-8: South Derbyshire Median Household Incomes (2011)

	Derby Fringe	North West (inc. Hilton)	Swadlincote and South
Median Household Income	£34,119	£40,701	£27,034

Source: Derby HMA Strategic Housing Market Assessment Update 2013

Affordability Thresholds

115. To understand affordability of different tenures in Hilton, we use the concepts of 'Affordability Thresholds.' These establish the minimum income needed to afford different tenures. The full analysis is set out in Appendix A; Table 6-9 and Figure 6-3 provide a summary.
116. For those whose income falls into the lower quartile, most affordable housing tenures are genuinely affordable. The exception is entry level market sale and rent homes.
117. The data we have gathered shows that for those earning the median income, they will be able to afford all affordable housing tenures and homes for market rent. However, homes for market sale still remain unaffordable.
118. For those earning the MSOA average income, they will be able to afford all affordable housing tenures and homes for market rent. However again, homes for market sale still remain unaffordable.

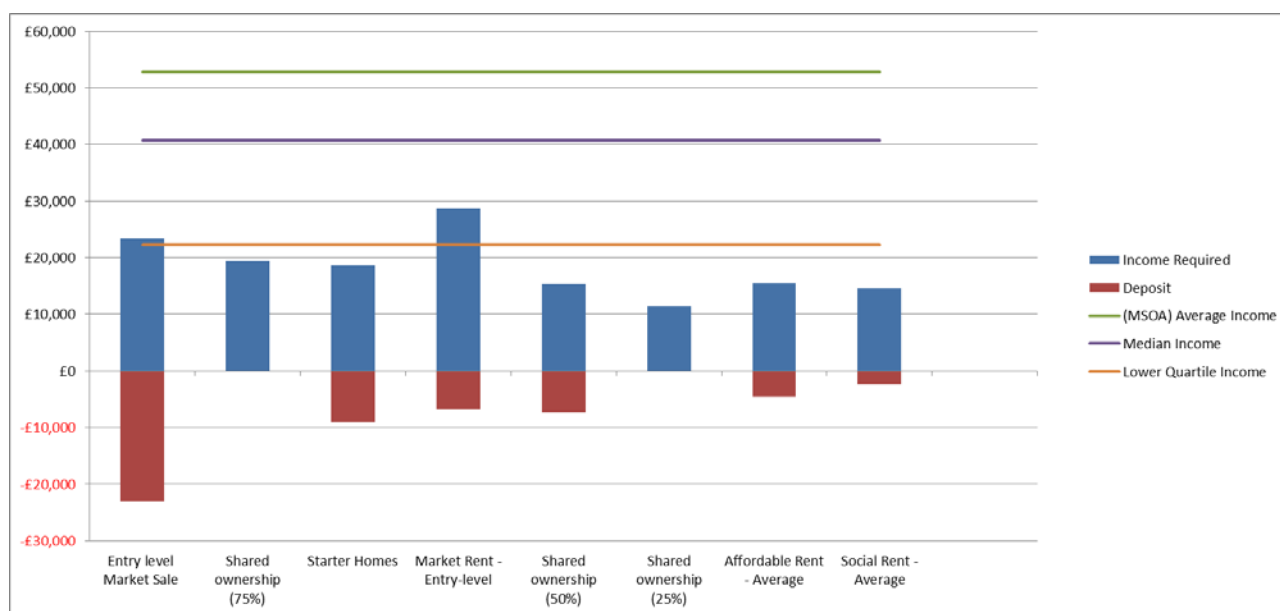
Table 6-9: Affordability Thresholds (Income required, £)

Tenure	Price	Annual rent	Income Required	Deposit
Market Sale	£229,741	-	£59,076	£22,974
Market Rent	-	£7,752	£31,008	-
Entry level Market Sale	£90,638	-	£23,307	£9,064
Shared ownership (75%)	£61,181	£623	£19,350	£6,798
Starter Homes	£72,510	-	£18,645	£7,251
Market Rent - Entry-level	-	£7,164	£28,656	-
Shared ownership (50%)	£40,787	£1,246	£15,392	£4,532
Shared ownership (25%)	£11,435	£1,869	£11,435	£2,266
Affordable Rent - Average		£5,150	£15,450	
Social Rent - Average		£4,843	£14,528	

Source: AECOM Calculations

119. The relationship between affordability thresholds and prevailing income levels are set out in Figure 6-3 below.

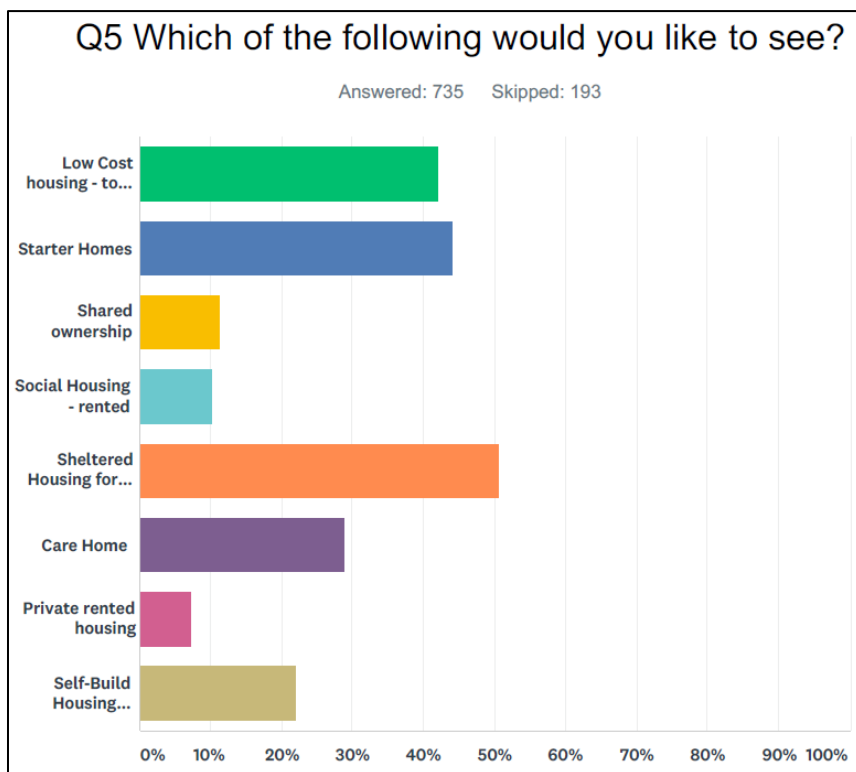
Figure 6-2: Affordability thresholds and income distribution



Source: AECOM Calculations

120. It is also useful to look at other sources of data available at the NA Level. The Hilton Area Development Plan Survey results gathered local views on housing preferences. The responses are shown below in Figure 6-4. It is evident that there is a strong preference for low-cost housing to buy (entry level market sale) (42%/309 of respondents) and Starter homes (44%/324 of respondents). There is also a demand for shared ownership and rented social housing (11% and 10% of respondents stated a preference for these homes respectively) albeit this is far less than the aforementioned Affordable Housing tenures of low cost housing to buy and starter homes.

Figure 6-3 : Hilton housing tenure preferences



Source: Hilton Area Neighbourhood Development Plan survey

Conclusions

- 121. From the data presented in Figure 6-3 and Table 6-9 it is evident that those households within the lower quartile of household income are able to access most Affordable Housing tenures.
- 122. Shared Ownership and Starter homes also offer a route to home ownership for those households within the lower quartile of household income.
- 123. The exceptions for those in the lower quartile of household income are access to entry level market sale and market rent housing tenures.
- 124. All housing tenures except homes for market sale are affordable to those on a median income and the total annual income at the MSOA level.
- 125. Affordable Housing Tenures should offer access to housing for those households in receipt of income above around £11,435.
- 126. Whilst Shared Ownership (25% and 50%) housing comprises some of the most affordable tenures, it is evident from the Hilton Area Neighbourhood Development Plan survey that the demand for this housing tenure is not particularly strong.
- 127. It is important to note that whilst the data from the Derby HMA Strategic Housing Market Assessment Update 2013 used to calculate the affordability of homes in Hilton is the latest and most robust available, it is still considered unreliable and slightly outdated by South Derbyshire Council. It is therefore necessary to acknowledge the more recent and representative data from the Hilton Area Neighbourhood Development Plan Survey. Whilst our evidence suggests that most Affordable Housing tenures are indeed available to those within the lower quartile of household income, the Development Plan Survey reveals that there is a clear preference towards starter homes and entry level market sale homes. Our evidence suggests that whilst starter homes are genuinely affordable to many in the NA, this is not the case for those within the lower quartile of household income who wish to own a home of their own via an entry level market sale homes. Therefore, affordable homes built over the neighbourhood plan period should seek to provide the following Affordable Housing tenure split shown below in Table 6-10.

128. Home ownership remains the most dominant tenure type in the NA, but the growth of this sector remains low. Low growth rates are also experienced in the social rented sector. The SHMA²³ suggests that this could be partially explained by the shift towards private rental dwellings that are made affordable with local housing allowance. Whilst private rental homes increased between 2001 and 2011, the latest evidence from the Hilton Area Neighbourhood Development Plan Survey reveals that there is higher demand for rented social housing than private rent, albeit both tenures have a fairly low demand. Nevertheless, this strengthens the need for a more in-depth housing needs survey that seeks to identify local needs in regards to housing tenures.

Table 6-10: Tenure split (Affordable Housing)

Affordable Housing	
<i>Entry Level Market Sale</i>	40%
<i>Shared Ownership</i>	10%
<i>Starter Homes</i>	40%
<i>Entry Level Market Rent</i>	10%

Source: AECOM calculations

²³ Derby HMA Strategic Housing Market Assessment Update 2013

7. RQ 3: Type and size

What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing has the best potential to meet local needs?

129. As identified earlier in this study, PPG recommends a consideration of the existing housing provision and its suitability, having regard for demographic shifts in age and household composition as well as affordability, to address future as well as current community need. For this reason, we start with a consideration type and size within the existing housing stock.

7.1 Background and definitions

130. Before beginning our consideration of type and size, it is important to understand how different types of households occupy their homes. Crucially, household 'consumption' of housing (in terms of housing size) tends to increase alongside wages, with the highest earning households consuming relatively more (i.e. larger) housing than those on lower incomes. Similarly, housing consumption tends to increase, alongside wealth and income, with age, such that older households tend to have larger homes than younger households, often as a result of cost and affordability²⁴.

131. In this context, even smaller households (those with smaller numbers of inhabitants, including just one or two people) may be able to choose to live in larger homes than their needs would suggest, and thus would be defined in census terms as under occupying their homes. This is a natural feature of the housing market, and can even distort considerations of future housing needs, with market dynamics and signals giving a very different picture than demographics, household type and size suggest for future years.

132. In order to understand the terminology surrounding size of dwellings, it is important to note the number of rooms recorded in Census data excludes some rooms such as bathrooms, toilets and halls; and to be clear that data on dwelling size is collected on the number of rooms being occupied by each household. In the section that follows, 'dwelling sizes' should be translated as follows²⁵:

- 1 room = bedsit
- 2 rooms = flat/house with one bedroom and a reception room/kitchen
- 3 rooms = flat/house 1-2 bedrooms and one reception room and/or kitchen
- 4 rooms = flat/house with 2 bedroom, one reception room and one kitchen
- 5 rooms = flat/house with 3 bedrooms, one reception room and one kitchen
- 6 rooms = house with 3 bedrooms and 2 reception rooms and a kitchen, or 4 bedrooms and one reception room and a kitchen
- 7+ rooms = house with 3, 4 or more bedrooms

133. It is also useful to clarify the census terminology around dwellings and households spaces, which can be confusing in the context of flats, apartments, shared and communal dwellings, and houses in multiple occupation, types which may typically fall into the private rented sector. Dwellings are counted in the census by combining address information with census returns on whether people's accommodation is self-contained²⁶, and as such all dwellings are classified into either shared or unshared dwellings. Household spaces make up the individual accommodation units forming part of a shared dwelling.

134. The key measure of whether a dwelling is shared or unshared relates to the census definition of a household. A household is defined as "One person living alone or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area."²⁷ On this basis, where unrelated residents of a dwelling share rooms other than a kitchen, this would be considered a single household in an unshared dwelling, whilst where only a kitchen is shared, each resident would be considered their own household, and the dwelling would be considered shared.

²⁴ SHMA15, pp.130, para 8.5

²⁵ <https://www.nomisweb.co.uk/census/2011/qs407ew>

²⁶ <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>

²⁷ Ibid.

135. Whilst it is unlikely that these issues are of particular relevance to Hilton, given that their main applicability is to students and other people likely to be sharing homes, it is still helpful to understand the terms as a background to the data in this chapter.

7.2 Existing types and sizes

Type

136. Table 7-1 below shows the housing mix in the NA, which contrasts with the housing mix found elsewhere in the district.
137. Hilton has a higher proportion of detached houses than the district average (48.7% compared to 39.8%) but a lower proportion of semi-detached housing (21.2% compared to 34.9%). The amount of terraced housing in Hilton is close to the district average (16.9% in Hilton against 18.1% in South Derbyshire. There is also far more purpose built flats or tenements in Hilton (12.8% against 5.1%) whilst the proportion of flats in converted, shared as well as commercial building remains slightly lower than the district levels.

Table 7-1: Accommodation type (households) in Hilton, 2011

Dwelling type		Hilton	South Derbyshire	England
Whole house or bungalow	Detached	48.7%	39.8%	22.4%
	Semi-detached	21.2%	34.9%	31.2%
	Terraced	16.9%	18.1%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	12.8%	5.1%	16.4%
	Parts of a converted or shared house	0.1%	0.8%	3.8%
	In commercial building	0.3%	0.7%	1.0%

Source: ONS 2011, AECOM Calculations

Size

138. Table 7-2 below shows that households are slightly larger in Hilton compared to South Derbyshire (2.5 against 2.4). In the following paragraphs, we further investigate the size of dwellings in the NA.

Table 7-2: Occupancy Summary Table

	Hilton	South Derbyshire
All categories:	7,714	94,611
Average household size	2.5	2.4
Average number of rooms per household	6	5.9
Average number of bedrooms per household	3.1	2.9

Source: ONS 2011 (KS403EW)

139. It is also relevant to consider how the number of rooms occupied by households has changed between the 2001 and 2011 censuses. This metric provides a proxy for the size of dwellings in a given geography. This data is presented below in Table 7-3 and shows quite clearly that there has been a dramatic increase in all home sizes. Notably, smaller homes have increased the most with 2 roomed homes increasing by 1516.7% against an increase of just 81.5% in South Derbyshire. 1 and 3 room home shave also increased by 566.7% a 568.2% respectively. The dramatic increase in housing, however mostly reflects the recent development of the former Ministry of Defence site since 2001.

Table 7-3: Rates of change in number of rooms per household in Hilton, 2001-2011

Number of Rooms	Hilton	South Derbyshire	England
1 Room	566.7%	25.4%	-5.2%
2 Rooms	1516.7%	81.5%	24.2%
3 Rooms	568.2%	43.5%	20.4%
4 Rooms	126.7%	7.0%	3.5%
5 Rooms	140.4%	4.4%	-1.8%
6 Rooms	70.9%	14.8%	2.1%
7 Rooms	64.5%	28.9%	17.9%
8 Rooms or more	79.4%	46.8%	29.8%

Source: ONS 2011, AECOM Calculations

140. Table 7-4 below sets out the distribution of the number of rooms by household accommodation (household space). From this data, it is apparent that there is a predominance of larger dwellings, not only in Hilton but also in South Derbyshire, whilst there are few houses of one to three habitable rooms.

Table 7-4: Number of rooms per household space, 2011

Number of Rooms 2011	Hilton		South Derbyshire	
	Frequency	%	Frequency	%
1 Room	20	0.7%	74	0.2%
2 Rooms	97	3.2%	452	1.2%
3 Rooms	147	4.9%	1920	4.9%
4 Rooms	442	14.6%	6400	16.4%
5 Rooms	685	22.6%	10082	25.9%
6 Rooms	499	16.5%	8359	21.4%
7 Rooms	431	14.2%	4835	12.4%
8 Rooms or more	334	11.0%	3477	8.9%
9 Rooms or more	373	12.3%	3393	8.7%
Total	3028		38992	

Source: ONS 2011, AECOM Calculations

141. 91.3% of the stock in Hilton can be considered family dwellings (four rooms or more) and 54.1% of them are large properties (with 6 rooms or more). The remaining 37.2% of homes are of medium size (four to five habitable rooms). These figures are similar to the distribution of housing in South Derbyshire. In South Derbyshire, 93.7% of the stock can be considered family dwellings and 51.5% of these are large properties. Meanwhile only 8.7% of homes in both Hilton have one to three rooms compared to an even lower 6.3% in South Derbyshire.
142. It is also particularly useful to cross-reference this data with Census estimates of the number of bedrooms for each household in Hilton and South Derbyshire. Table 7-5 below summarises the proportion of households occupying each size of home in terms of the number of bedrooms. The data shows that the distribution of bedrooms in Hilton is fairly similar to that of South Derbyshire. The notable exception is the lower amount of 3 bedroom homes in Hilton compared to South Derbyshire (37% against 45%) whilst there is a significantly higher amount of 4 bedroom properties in Hilton (32% against 20%).

Table 7-5: Number of bedrooms in household spaces, 2011

Bedrooms	Hilton		South Derbyshire	
	Number	%	Number	%%
All categories: Number of bedrooms	3028		38992	
No bedrooms	4	0%	49	0%
1 bedroom	159	5%	2022	5%
2 bedrooms	666	22%	10073	26%
3 bedrooms	1109	37%	17413	45%
4 bedrooms	967	32%	7818	20%
5 or more bedrooms	123	4%	1617	4%

Source: ONS 2011 (QS411EW), AECOM Calculations

Conclusion

143. In summary, homes in Hilton are mostly medium and large size, and this reflects the housing distribution of the District. However recent developments in the area has seen an extraordinary increase in smaller properties especially households consisting of 1 – 3 rooms. This may represent a substantial increase in demand for smaller properties, or it could reflect the substantial increase in the supply of smaller homes. Meanwhile the continued dominance and growth of larger properties also signal demand for these household types.

7.3 Household composition and age structure

144. Having established the current stock profile of Hilton, and identified recent changes in its composition, the evidence assembled below seeks the composition of households both now and how they are likely to change in future years. Through a consideration of the types of households forming, and the mix of age groups in the following section, it is possible to consider how size of housing in Hilton should be influenced through planning policy.

Current Household Composition

145. Household composition is a fundamental factor driving the size of housing that will be needed in Hilton in the future. As of 2011, the NA had 3,028 households, representing 7.77% of the District’s total.

146. In Table 7-6 below, we present data relating to household composition drawn from Census 2011 in the NA. Overall, the findings differ slightly with those of the District. Families make the majority of housing in the NA at 73.5% whilst one person households are slightly lower than the District and national average at 22.7% (against the District average of 25.2% and the national level at 30.2%). There is a higher amount of dependent children in one family Hilton households compared to the rest of South Derbyshire (40% against 29.2%). Meanwhile, there are less elderly people aged 65 and over in Hilton (4.6%) compared to the District and national levels (10.4% and 12.4%).

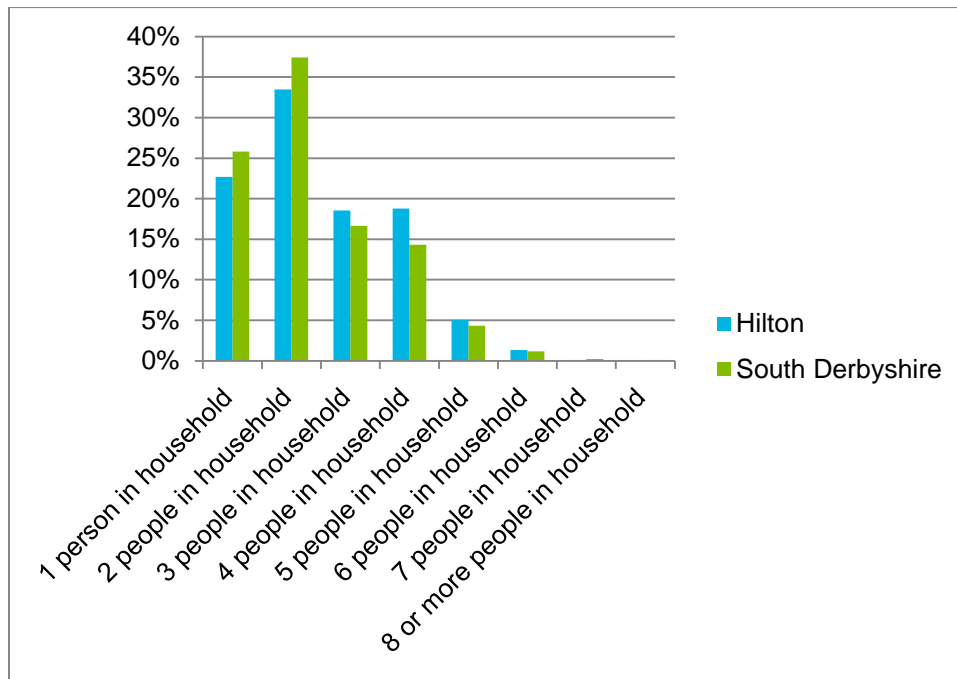
Table 7-6: Household composition (by household) in Hilton, 2011

		Hilton	South Derbyshire	England
One person household	Total	22.7%	25.8%	30.2%
	Aged 65 and over	4.6%	10.4%	12.4%
	Other	18.1%	15.4%	17.9%
One family only	Total	73.5%	69.8%	61.8%
	All aged 65 and over	4.9%	8.6%	8.1%
	With no children	22.7%	22.4%	17.6%
	With dependent children	40.0%	29.2%	26.5%
	All children Non-Dependent	6.0%	9.6%	9.6%
Other household types	Total	3.8%	4.4%	8.0%

Source: ONS 2011, AECOM Calculations

147. As seen in Figure 7-1 the most dominant household size is that of 2 persons, which accounts for 33% of all housing in Hilton. Whilst this is the most dominant housing type across South Derbyshire, the Hilton proportion of 33% is lower than South Derbyshire of 37%. Nevertheless, Hilton is similar enough to South Derbyshire in terms of household size distribution and therefore, district-wide policies regarding type and size are likely to be relevant in Hilton.

Figure 7-1: Household Size



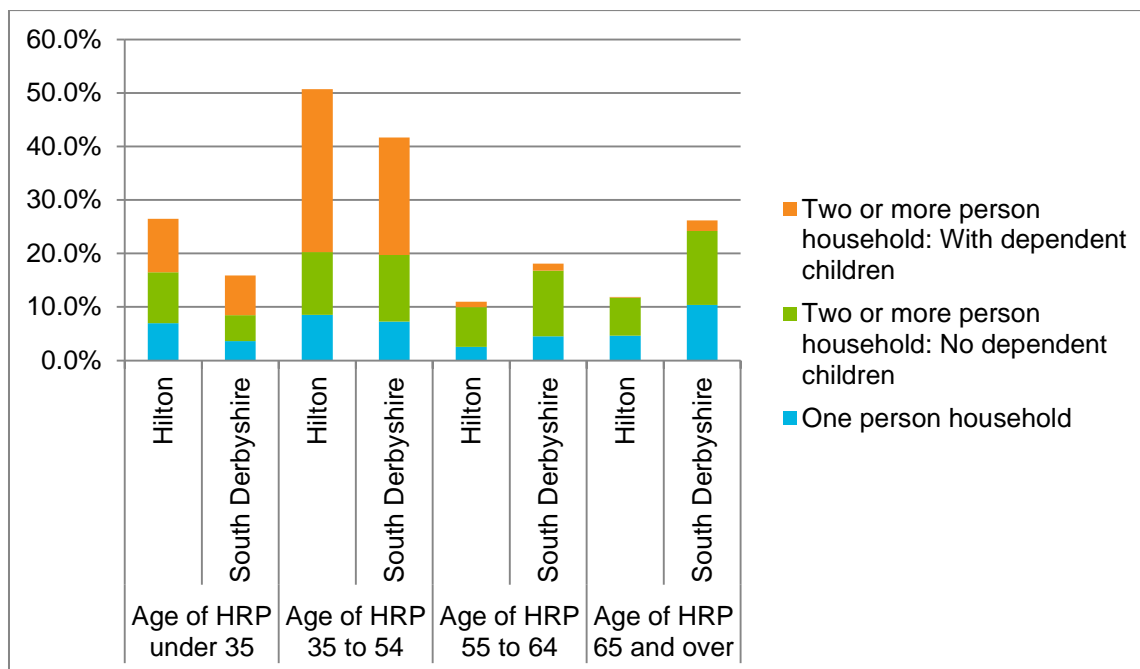
Source: ONS 2011(QS404EW), AECOM Calculations

Consideration of age

148. The data presented below classifies households in Hilton and South Derbyshire according to the age of the Household Reference Person (HRP). Size and type of housing is not only influenced by household composition, but also by the age of the HRP. The following observations can be highlighted from the data presented in Figure 7-2 below:

- The distribution of household types among different life stages in the NA and the District are fairly similar. Although it is evident that Hilton has a slightly younger population with higher proportions of those aged 35 and below.
- However, the most dominant population group in Hilton is those aged 35 to 54, which forms 50.7% of the population. They are also the category which is the most likely to have dependent children, of which 30.4% fall under this category.
- Households headed by older people are clearly a minority in Hilton forming just 20.7% compared to a much larger figure of 44.3% for the wider South Derbyshire District.

Figure 7-2: Households by age of the HRP



Source: ONS 2011 (qs111ew), AECOM Calculations

Future household composition and age mix

149. Firstly we need to consider how household composition has shifted over the 2001-11 inter-census period, before examining how it is expected to evolve towards the end of the Plan period.
150. Table 7-7 below shows that one person households have increased rapidly in Hilton compared to South Derbyshire (172.6% change against 22.5%). Again, these dramatic increases are due to the development on the former Ministry of Defence site since 2001, yet the figures are still useful in providing insight into the change of household composition in Hilton. The amount of one person households that are aged 65 and over has increased by 21.7% despite a decrease in the category both in the wider district and nationally (-3.1% and -7.3% respectively). Other one person households have increased by 299.3% in Hilton; almost quadruple the rate of South Derbyshire (49.3%). The amount of families in Hilton has also increased by 92% compared to 15% in South Derbyshire. All one family categories have increased significantly, notably those with no children (99.4%), those with dependent children (106%) and those with non-dependent children (72.4%). One family households that were all aged 65 and over only increased by 20.5%, which is still higher than the district average of 13.2% but is less in comparison to the increases in the aforementioned categories.

Table 7-7: Rates of change in household composition in Hilton, 2001-2011

Household type		Percentage change, 2001-2011		
		Hilton	South Derbyshire	England
One person household	Total	172.6%	22.5%	8.4%
	Aged 65 and over	21.7%	-3.1%	-7.3%
	Other	299.3%	49.3%	22.7%
One family only	Total	92.0%	15.4%	5.4%
	All aged 65 and over	20.5%	13.2%	-2.0%
	With no children	99.4%	17.8%	7.1%
	With dependent children	106.0%	15.4%	5.0%
	All children non-dependent	72.4%	12.1%	10.6%
Other household types	Total	182.9%	42.7%	28.9%

Source: ONS 2011, AECOM Calculations

151. To provide a more accurate insight into the rates of change in household composition, it is necessary to calculate the change by analysing the differences in the proportion of each household type rather than the growth trends as seen in Table 7-7. This is shown in Table 7-8 below. There has been a larger decline in the proportion of families in the NA (-6.3%) compared to just -1.7% decline in the wider District. This is mostly due to families where all residents are aged 65 and over forming a lower proportion (-3.5% over the census period). Meanwhile, one person homes have become slightly more dominant in the NA with a 5.3% increase in the proportion of this household type in the NA. A closer analysis shows that whilst this is due to the proportion of other one person households increasing by 8.6%, the proportion of one person aged 65 and over households actually decreased -3.3%.

Table 7-8: Rates of change in household composition in Hilton, 2001-2011

Household type		2001		2011		Percentage change, 2001-2011	
		Hilton	South Derbyshire	Hilton	South Derbyshire	Hilton	South Derbyshire
One person household	Total	17.4%	24.9%	22.7%	25.8%	5.3%	0.9%
	Aged 65 and over	7.9%	12.7%	4.6%	10.4%	-3.3%	-2.3%
	Other(aged 65 and under)	9.4%	12.2%	18.1%	15.4%	8.6%	3.2%
One family only	Total	79.8%	71.4%	73.5%	69.8%	-6.3%	-1.7%
	All aged 65 and over	8.4%	9.0%	4.9%	8.6%	-3.5%	-0.4%
	With no children	23.7%	22.4%	22.7%	22.4%	-1.0%	-0.1%
	With dependent children	40.5%	29.9%	40.0%	29.2%	-0.5%	-0.7%
	All children non-dependent	7.2%	10.1%	6.0%	9.6%	-1.3%	-0.5%
Other household types	Total	2.8%	3.7%	3.8%	4.4%	1.0%	0.8%

Source: ONS 2011, AECOM Calculations

152. We now consider how households in Hilton are projected to change in the future and whether the trends observed in the inter-censal period will continue. Unfortunately, detailed projections of future populations are not available for individual towns or parishes, so it is necessary to turn to projections for South Derbyshire as a whole.
153. MHCLG publishes bi-annual household projections for all local authorities in England and Wales, broken down by household type, and also provides projections of the average household size and age.
154. Table 7-9 shows that there are significant increases in household projections in Hilton for most household types, especially those with one person and couple and no other adult (both 35%). The biggest increase expected is that of other household types (households comprising of two or more adults²⁸) at 50%, albeit from a low base of just 1,873 households.

²⁸ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/536702/Household_Projections_-_2014_-_2039.pdf

Table 7-9: MHCLG Household projections for South Derbyshire by household type

	One person	Couple and no other adult	Couple and one or more other adult	Households with dependent children	Other (two or more adults)
2014	10,685	12,829	3,186	12,272	1,873
2039	14,436	17,325	3,315	13,988	2,812
% Increase between 2011 and 2039	35%	35%	4%	14%	50%

Source: MHCLG 2014-based household projections, ONS 2011

155. The projections for Hilton also consider the increases in each household up to 2039 (shown in Table 7-10). The biggest increase projected for the District is for older households with those ages 65 and over, which is expected to experience a 82% increase between 2014 and 2039.

Table 7-10: MHCLG Household projections for South Derbyshire by household age

	Age of HRP under 35	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	6,175	16,225	7,036	9,526
2014	6,120	16,496	6,877	11,353
2039	5,802	17,647	7,783	20,644
% change 2011- 2014	-1%	2%	-2%	19%
% change 2014- 2039	-5%	7%	13%	82%
% change 2011- 2039	-6.0%	8.8%	10.6%	116.7%

Source: MHCLG 2014-based household projections, ONS 2011

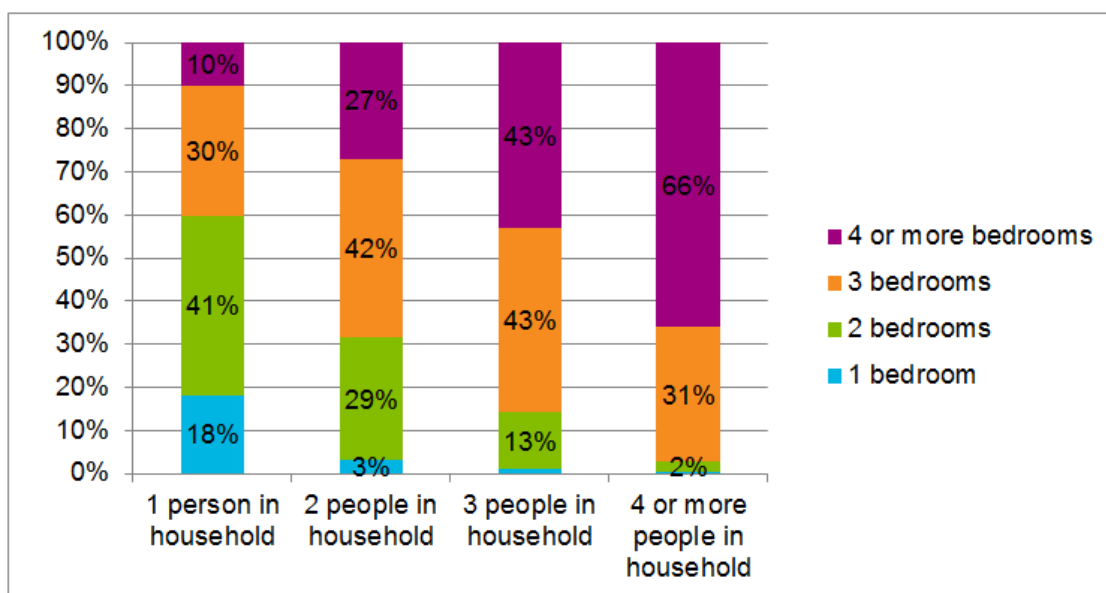
7.4 Current patterns of occupation

156. To estimate the housing mix needed by the end of the Plan period we adopt an approach which assumes that the housing mix needed by households will reflect current occupation patterns. We estimated the housing likely to be required in the future based on the current propensity of households of different ages to occupy different types of accommodation. For example, a growth in single person households aged 65-74 will lead to an increase in the need for the type of housing currently occupied by single person households of this age.

Size

157. Figure 7-3 shows the number of people living in the households cross-tabulated against the number of bedrooms in their property. Where the household has three or more residents, the property has generally at least three, rising to two thirds having four, bedrooms. Among households with fewer members, the number of spare bedrooms increases. Of the 1013 households which have two residents, 639 properties (69%) have three or more bedrooms and of the 687 single person households, 562 properties (81%) have two or more bedrooms. As we showed before, smaller households occupy larger dwellings than their size suggest.

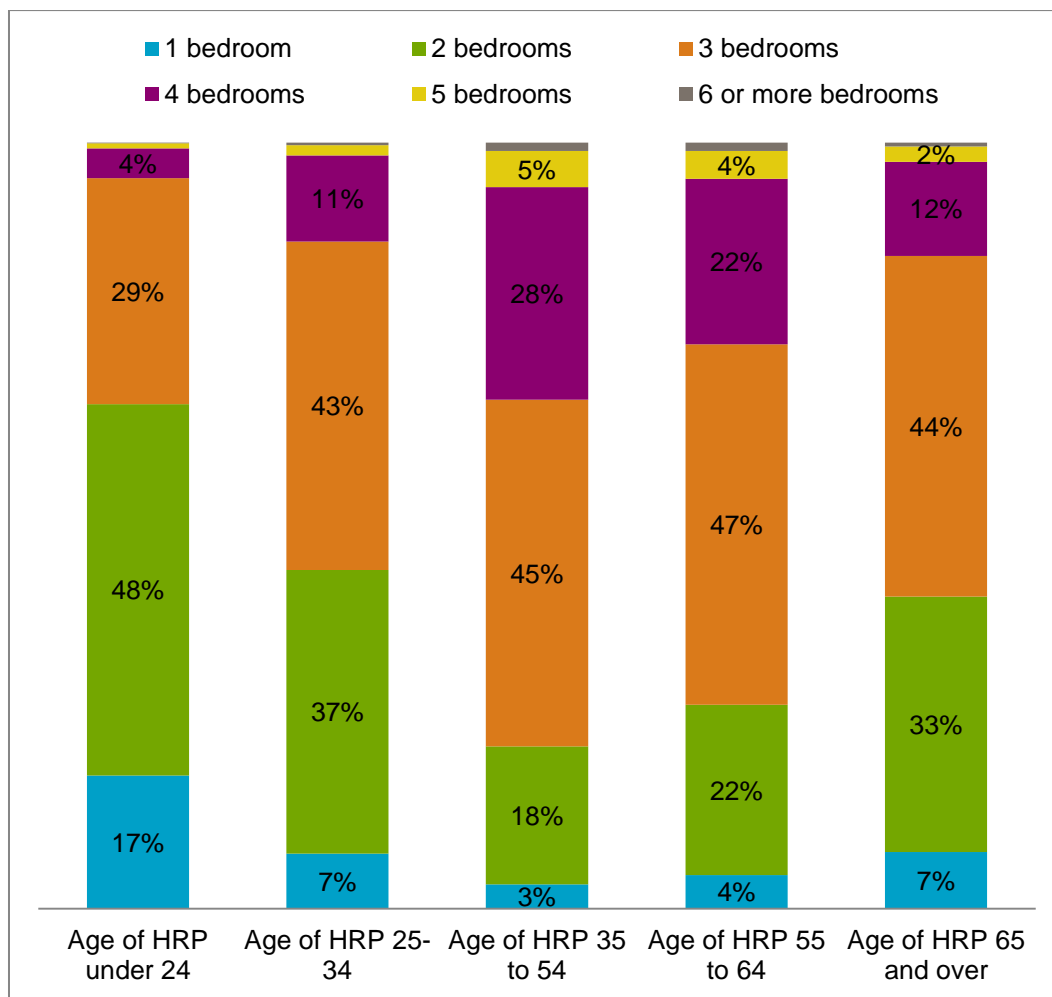
Figure 7-3: Number in households by numbers of bedrooms



Source: ONS 2011 (LC4405EW), AECOM Calculations

158. The housing mix is also influenced by the household life stage. However, no data is available at the Parish level providing housing size occupation by age of the HRP. Nonetheless, this data is available at the District level and can be used as a proxy for Hilton.
159. Figure 7-4 below shows the size of property occupied by different age groups. In South Derbyshire, younger households where the HRP is aged under 35 and older households where the HRP is aged over 65 are more likely to live in smaller properties. Nevertheless, 3 bedroom households are forming the majority of households for all age groups. Although 2 bedroom properties are almost equally as popular amongst the youngest residents under 35, whilst larger homes of 4 bedrooms or more are also fairly popular with homes headed by those aged 35 – 54.

Figure 7-4: Age of household reference person to size in South Derbyshire, 2011

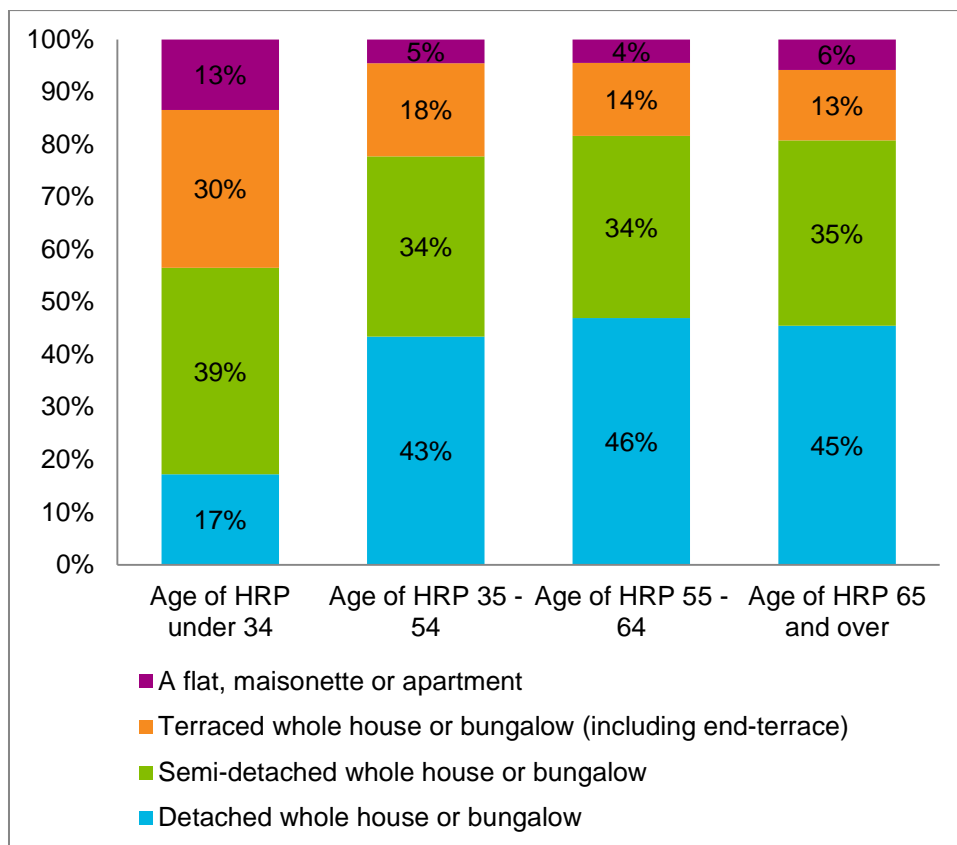


Source: ONS 2011, AECOM Calculations

Type

160. Census data also shows the type of housing occupied by HRPs in different age groups at the District level, and this is summarised below in Figure 7-5. Age does not seem to influence the type of housing, with the exception of younger households under 35, who are more likely to live in terraced or semi-detached homes.

Figure 7-5: Age of household reference person to type in South Derbyshire, 2011



Source: ONS 2011, AECOM Calculations

7.5 Dwelling mix determined by life-stage modelling

161. In this section, we provide an estimate of the mix of sizes of home needed by the end of the Plan period by matching future household composition to current patterns of occupation by age (working from the assumption set out at the start of this section that the same household types are likely to wish to occupy the same size of homes in 2035 as they did in 2011).
162. First, we use household projections provided by MHCLG to achieve an understanding of the future distribution of households by the age of the Household Reference Person (HRP). This data is only available at the District level and for the years 2014 and 2039. Therefore, we had to estimate what the distribution of households, by the age of the HRP, would be in 2035. The data is presented in Table 7-11 below.

Table 7-11: Change in Life Stage distribution of HRP 2011 - 36

	Age of HRP under 24	Age of HRP 25- 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	1,033	5,142	16,225	7,036	9,526
2014	1,041	5,078	16,496	6,876	11,352
Change 2011- 2014	8	-64	241	-160	1,826
% change	1%	-1%	1%	-2%	19%
2039	1,093	4,709	17,647	7,783	20,643
Change 2014-2039	52	-369	1,151	907	9,291
% change	5%	-7%	7%	13%	82%
Average Annual change 2014-39	2	-15	46	36	372
2035	1,081	4,798	17,371	7,565	18,413
% change 2014-2035 (estimated)	4%	-6%	5%	10%	62%

Source: MHCLG 2014-based household projections (table 414), ONS 2011(QS111EW) (LC4201EW), AECOM Calculations Census 2011

163. At this point it is necessary to derive an estimate of the change to the age structure of the population in Hilton. To do so, the percentage increase expected for each group in South Derbyshire, derived from the data presented in Table 7-11, was applied onto the population of Hilton. The results of our calculation are detailed in Table 7-12 below:

Table 7-12: Projected distribution of households in Hilton by age of HRP

	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	95	706	1,535	332	360
2014	96	697	1,558	324	429
2035	99	659	1,640	357	696
2039	101	647	1,666	367	780

Source: ONS 2011, AECOM Calculations

164. In Table 7-13 below, we work from the same dataset as Figure 7-4 (which provides a more detailed data set than is available at the local level) and set out the distribution of dwellings of different sizes according to the age of the HRP.

Table 7-13: Age of household reference person to home size, grouped (South Derbyshire)

	Age of HRP 16 to 24	Age of HRP under 35	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
1 bedroom	17%	7%	3%	4%	7%
2 bedrooms	48%	37%	18%	22%	33%
3 bedrooms	29%	43%	45%	47%	44%
4 bedrooms	4%	11%	28%	22%	12%
5 bedrooms	1%	1%	5%	4%	2%
6+ bedrooms	0%	0%	1%	1%	1%

Source(s): MHCLG 2014-based household projections, ONS 2011 (CT0621), AECOM Calculations

165. Having established the preference shown by households at different life-stages towards dwellings of different sizes, and the approximate number of households in Hilton and South Derbyshire falling into each of these stages at the end of the Plan period in 2035, it is possible to put forward recommendations regarding how the housing stock should evolve in terms of size over the Plan period to overcome any misalignments between supply of dwellings and demand.

Table 7-14: Ideal size distribution in Hilton in 2035, according to household life-stages

	Age of HRP 16 to 24	Age of HRP under 35	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over	Total Households requiring dwelling sizes
Pop 2035	99	659	1,640	357	696	3,451
1 bedroom	17	47	52	16	51	183
2 bedrooms	48	244	295	79	232	899
3 bedrooms	29	283	742	168	310	1,532
4 bedrooms	4	74	455	77	85	695
5 bedrooms	1	9	78	13	14	114
6+ bedrooms	0	2	18	4	4	28

Source: Census 2011, AECOM Calculations

166. It is now possible to compare the housing mix in terms of size in 2011 against the projected requirement based on the ideal size distribution in Hilton set out above. Table 7-15 below indicates that, by 2035, the distribution of dwellings should be weighted more towards the smaller end of the size spectrum, with a particular focus on dwellings of 2 and 3 bedrooms.

Table 7-15: Size distribution in 2011 compared to ideal distribution in 2035 (Hilton)

Number of bedrooms	2011		2035	
1 bedroom	159	5%	183	5%
2 bedrooms	666	22%	899	26%
3 bedrooms	1,109	37%	1,532	44%
4 bedrooms	967	32%	695	20%
5 or more bedrooms	123	4%	142	4%
Total households	3,028		3,451	

Source: Census 2011, AECOM Calculations

167. Table 7-16 below sets out the dramatic misalignment between demand for housing, based on the preferences expressed by households at different life-stages, and the current stock available in the NA.

Table 7-16: Misalignments of supply and demand for housing

Number of bedrooms	2011	2035	Change to housing mix	Recommended split
1 bedroom	159	183	24	3%
2 bedrooms	666	899	233	33%
3 bedrooms	1,109	1,532	423	60%
4 bedrooms	967	695	-272	0%
5 or more bedrooms	123	114	19	3%

Source: AECOM Calculations

7.6 Household preferences for type and size of housing, findings from the Housing Needs Survey

168. Demographic data is not a sole indicator for types and sizes of housing needed. As we have seen, the housing mix reflects household demand and preferences, and as such, cannot be inferred purely from looking at age and household composition.
169. Therefore, in this section, we review local insights from the Hilton Area Development Plan Survey Results 2016 to identify the types and sizes preferred by the residents of Hilton. The survey had 928 respondents, although some questions were not answered by all respondents and this will be acknowledged throughout the survey review. Whilst the survey aimed to be representative of the entire NA, the response rate of 928 out of the 2011 NA residential population of approximately 7,714 people means that the following data must be used with caution. Nevertheless, the survey results still provide a unique insight of resident housing preferences.

170. Table 7-17 shows the results from the survey, which asked respondents for their housing preferences. The most popular housing preference was bungalows, with 32% of respondents. This is surprising considering the younger population in Hilton. Moreover, the flats and terraced housing were very unpopular with only 2.73% and 3.08% choosing this housing type respectively.
171. However, the question also asked about other housing types such as those who would want a house with a family sized garden. This would suggest people would want a medium to large sized house of two or more bedrooms, a size typically found with homes with family sized gardens. 51% of respondents choose this options which would suggest that medium to larger homes are indeed still in demand.
172. Table 7-17 also reveals the housing preferences of residents in regards to bedrooms. It is clear that 3 bedroom homes are the most popular with over 31% of respondents choosing this housing type, but this was also closely followed by larger 4/5 bedroom properties with 27.7% of respondents also choosing this type. This further supports the suggestion that medium and large properties are still in demand by residents in the NA, despite the high preference for bungalows.

Table 7-17: Residents Property type preference

Housing Type	Question Response Rate	Response Total
Bungalows	32.03%	270
Flats	2.73%	23
Terraced housing	3.08%	26
Housing accessible for disabled people	28.23%	238
Houses with family sized gardens	51.96%	438
Sufficient off-road parking for size of house	81.14%	684
2 bedrooms	20.40%	172
3 bedrooms	31.20%	263
4/5 bedroom	27.76%	234

Source: Hilton Area Development Plan Survey Results, p6

7.7 Dwelling mix required

173. In order to estimate the dwelling mix required by the end of the Plan period, we averaged the dwelling mix based on occupancy rates and household preferences expressed in the survey. For example, the occupancy rates indicate a very small need for one-bedroom properties (3%), while more households have expressed a need for that size in the Household Survey (21%). The average of these two percentages is 12%.
174. Furthermore, it can be argued that, despite the demand identified for larger dwellings based on household preferences expressed in the survey, there is less of a need to include dwellings containing four bedrooms and above in the future housing mix. Indeed, downsizing households will free up larger dwellings, thereby meeting the demand for that type, without needing to build as many large properties as the household preferences proportions would suggest. Downsizing households will also allow the increase of smaller properties necessary to retain a younger population, and is more in line with the residents' comments expressed in the Local Housing Needs Survey. The dwelling mix required is in the column 'Adjusted average'.
175. However, it must be noted that type of housing identified in the survey is mostly influenced by personal preferences than by objective need. Therefore caution must be applied to the adjusted average column. Moreover, the current Hilton Area Development Plan Survey Results does not have data on preferences for smaller 1 bedroom households and thus it may be necessary to conduct a housing needs survey that gathers more specific data on household preferences in regards to housing type.

Table 7-18: Dwelling sizes required

	Census 2011 – Occupancy rates based	Household preferences	Average	Adjusted Average
1 bedroom	3%	21%	12%	10%
2 bedrooms	33%	20%	27%	30%
3 bedrooms	60%	31%	46%	50%
4+ bedrooms	3%	28%	15%	10%

Source: AECOM Calculations

8. RQ 4: Specialist Housing

RQ4: What provision should be made for specialist housing for the older people within the NA?

8.1 Introduction

177. The following section considers the specific needs associated with older people in Hilton and makes projections of how needs might change in the future. To do so, we are drawing upon available secondary data on existing provision rates, the outputs of demographic modelling and the subsequent use of a tool recommended by the Housing Learning and Improvement Network (HLIN).

8.2 Background

178. Before considering the need for specialist housing in Hilton in more detail, it is useful to understand the national context for specialist housing for the elderly across England (see Appendix A for definitions).

Specialist Housing for the Elderly

179. Specialist housing for the elderly, sometimes known as specialist accommodation for the elderly, encompasses a wide range of housing types specifically aimed at older people, which may often be restricted to those in certain older age groups (usually 55+ or 65+). This could include residential institutions, sometimes known as care homes, sheltered housing, extra care housing, retirement housing and a range of other potential types of housing which has been designed and built to serve the needs of older people, including often providing care or other additional services. This housing can be provided in a range of tenures (often on a rented or leasehold basis).
180. Between 1974 and 2015, the population aged 65 and over in England grew 47% and the population aged 75 and over grew by 89%.²⁹ A Demos survey of over 60s conducted in 2013 found a “considerable appetite” amongst this age group to move to a new property, with one quarter of all those surveyed suggesting they would be interested in buying a specialist property, and one quarter considering renting a specialist home.³⁰
181. Indeed, 76% of those in homes of three or more bedrooms wished to downsize, and this rose to 99% of those in homes of five or more bedrooms, with two bedrooms the preferred choice for both.³¹ However, in spite of evidence of high demand, currently only 5% of elderly people’s housing is made up of specialist homes,³² with Demos suggesting that, “the chronic under-supply of appropriate housing for older people is the UK’s next housing crisis”,³³ and local authorities often, “accused of reluctance to approve development plans for specialist housing...out of fear of increased care costs”.³⁴ However, whilst many of those surveyed may consider moving, the percentage that ultimately does is likely to be relatively low, and many who do may move into general needs housing, for example market sale bungalows.
182. In 2014 there were approximately 450,000 units of sheltered social rented and private sector retirement housing in England, with approximately one quarter of these in private sector and the rest provided at social rent levels.³⁵ This situation reflects the significant constraints on the delivery of such housing in the market sector, as well as the improved health of older people today in comparison with previous generations.
183. Given that the vast majority of people over 75 live in their own homes, but that the current stock is primarily for social rent, AECOM has developed a ‘tenure-led’ approach to calculating the need for specialist housing, which also takes into account the health and mobility of population of the NA so as to arrive at projections for future need for specialist housing provided with some level of care or other services.
184. The following section applies a three stage process to determine the potential incidence of need for specialist housing for the elderly, based on tenures, projections of the future population of elderly people in the NA, and census data relating to mobility limitations and overall health. These are then compared with rates of provision that have been recommended by the Housing Learning and Improvement Network (HLIN), as well as with existing rates of provision across South Derbyshire.

²⁹ <http://researchbriefings.files.parliament.uk/documents/CBP-7423/CBP-7423.pdf>

³⁰ <https://www.demos.co.uk/files/TopoftheLadder-web.pdf?1378922386>

³¹ Ibid.

³² https://www.housinglin.org.uk/_assets/Resources/Housing/OtherOrganisation/for-future-living_Oct2014.pdf

³³ <https://www.demos.co.uk/files/TopoftheLadder-web.pdf?1378922386>

³⁴ <http://researchbriefings.files.parliament.uk/documents/CBP-7423/CBP-7423.pdf>

³⁵ https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/reports-and-briefings/safe-at-home/rb_july14_housing_later_life_report.pdf

185. Clearly, this calculation represents an assumption, with the actual decision for an elderly person to enter specialist housing highly dependent on individual circumstances. As already noted, the actual proportion of elderly people that can be considered in need of specialist housing is affected both by overall levels of health as well as by individual lifestyle choices, given that the vast majority of elderly people currently choose to continue to live in their homes into their old age.

186. The charity Age UK suggests that, “inaccessible housing should not force anyone out of their home or local community against their wishes. It’s much better to have ‘pull factors’ that attract older people towards housing alternatives.”³⁶ By understanding the tenure breakdown of specialist housing need, we are able to better understand the extent to which demand will be a factor in this market segment.

8.3 Current supply of specialist housing for the elderly in Hilton

187. Looking at specialist housing that is not classified as a communal establishment, there are just two specialist accommodation residences in Hilton detailed in Table 8-1 below:

Table 8-1: Specialist housing for the elderly in Hilton³⁷

#	Name	Description	Bed spaces	Type
1	Percywood Close	22 2 bedroom bungalows	44	Retirement Housing
Total Bed Spaces in Hilton			44	

Source: <http://www.housingcare.org>

188. There are therefore **44** specialist dwelling bed spaces for the elderly, for a 2011 population aged 75+ of 212. This suggests the actual rate of provision in the NA is around 208 dwellings per 1000 population aged 75+.

8.4 Future needs for specialist housing for the elderly

Modelling change in the population over 75 by the end of the Plan period

189. Table 8-2 below identifies the growth in the population of residents over 75 between 2011 and 2035 and shows an estimate of the number of residents aged 75+ in 2035 (**482**).

Table 8-2: Modelled change in the population over 75 between 2011 and 2035

Year	2011		% Hilton population in South Derbyshire	2035 Projection	
Area	Hilton	South Derbyshire		Hilton	South Derbyshire
All ages	7,714	94,611	8.15%	9454	116,100
75+	212	6,460	3.28%	482	14,700
% of 75+	2.75%	6.83%	-	5.1 %	24.34%

Source: 2014-based Sub-national population projections and Census 2011 (ONS), AECOM calculations

190. The method we use to arrive at this number can only be an estimate given that MHCLG population projections do not provide data at the NA level. AECOM uses the following four-step method to arrive at the estimate:

191. Using MHCLG population projections, we take the size of the total population (116,100) and population aged 75+ (14,700) at the end of the Plan period for the local authority.

192. Using Census data 2011, we take the population size for Hilton and South Derbyshire together with the number of those aged 75+.

193. We arrive at an estimate of the size of the total population in Hilton at the end of the Plan period by assuming it is the same proportion of the South Derbyshire population as in 2011, which produces a number of **9,454**;

³⁶ <https://www.ageuk.org.uk/documents/EN-GB/Political/Age%20UK%20ID201813%20Housing%20Later%20Life%20Report%20-%20final.pdf?dtrk=true>

³⁷ Hilton Parish Council have advised that Bloomfield Close be excluded from consideration, because even though it was originally intended for elderly residents, more recently it has been used to house a wider mixture of people and as such can no longer be counted as specialist housing for the elderly.

194. To arrive at an estimate of the 75+ population in Hilton at the end of the Plan period, we assume it is the same proportion of the South Derbyshire population aged 75+ as in 2011, which produces a number of **482**.

195. In both the NA and the District, the proportion of people aged 75+ is expected to increase by 2035. It is forecasted to form 5.1% of the total population in Hilton and 24.34% in the District. In Hilton, this results in **an increase of 270 people aged 75+** between 2011 and 2035.

Quantity of housing needed for older people

196. Using the estimation of residents of 482 aged 75+ expected; we would recommend that Hilton plans for **68 additional specialist dwellings** by the end of the Plan period. We recommend the group use the HLIN recommendation as represents best practice, though Table 8-3 does make it clear that the current provision in Hilton exceeds the national average.

Table 8-3: Range of specialist housing need projections based on different rates of provision

	Provision at current rate (208/1000 population 75+)	Need based on national average (170/1000 population 75+)	Need based on HLIN recommendation (251/1000 population 75+)
Rates			
2018 Provision	44	36	53
2035	100	82	121
Additional Provision Required	56	46	68
Average (of Additional Provision Required)	57		

Source: AECOM Calculations

Type of housing needed for older people

197. In arriving at an appropriate type of housing for older people, we have applied the Housing Learning and Improvement Network’s Strategic Housing for Older People Analysis (SHOP@) tool and its suggested numbers per 1,000 of the 75+ population³⁸. This tool was published to show the prevalence rates for different types of specialist housing for persons aged 75 and over, and is reproduced in Figure 8-1 below.

Figure 8-1: Older person’s prevalence rate

FORM OF PROVISION	ESTIMATE OF DEMAND PER THOUSAND OF THE RELEVANT 75+ POPULATION
Conventional sheltered housing to rent	60
Leasehold sheltered housing	120
Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) ³⁸	20
Extra care housing for rent	15
Extra care housing for sale	30
Housing based provision for dementia	6

Source: Housing LIN (2011)

198. Table 8-3 showed an estimate of the number of older people aged 75+ in 2035 to be **482**. According to our calculations, this will result, over the Plan period, in a need for 121 bed spaces, which, minus the already existing 44 bed spaces, produces a number of **77** in specialist accommodation broken down between the following:

³⁸ Housing LIN (2011) Strategic Housing for Older People: Planning, designing and delivering housing that older people want, available online at: <http://www.housinglin.org.uk/library/Resources/Housing/SHOP/SHOPResourcePack.pdf>

Table 8-4: Additional Specialist Housing Provision needed between 2018 and 2035

Form of provision	Provision per thousand	Provision per actual number
Conventional sheltered housing to rent (affordable)	60	18
Leasehold sheltered housing (market)	120	36
Enhanced sheltered housing (divided 50:50 between that for rent and that for sale)	20	7
Extra care housing for rent (affordable)	15	5
Extra care housing for sale (market)	30	10
Housing based provision for dementia (affordable)	6	2

Source: Housing LIN, AECOM Calculations

199. Table 8-5 below gives a grouped breakdown.

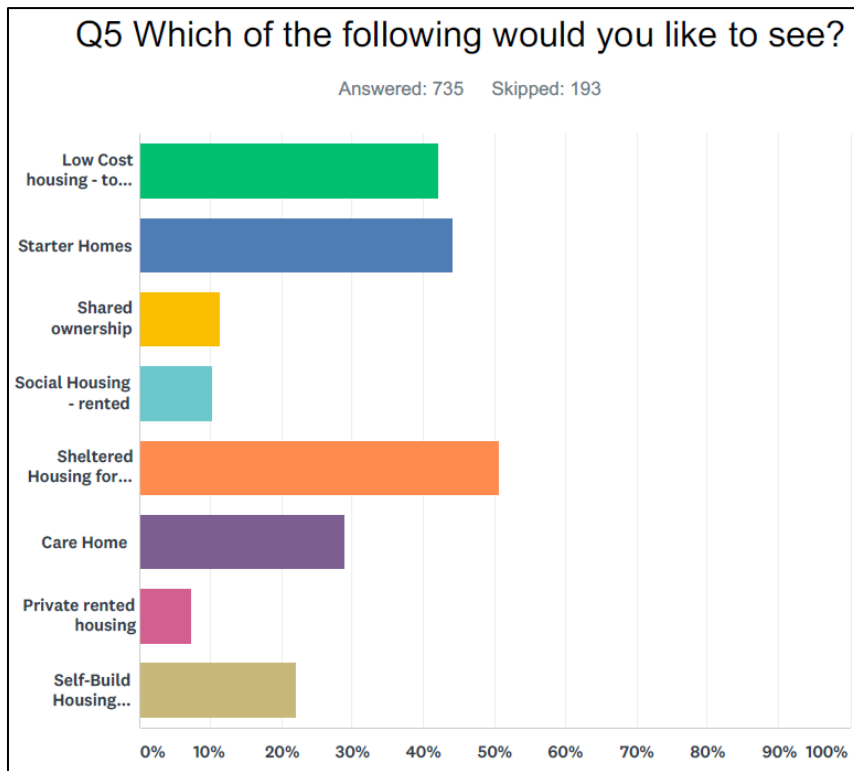
Table 8-5: Additional Specialist Housing Provision between 2018 – 2035 (Type and Tenure)

	Affordable	Market	Total
Adaptations, sheltered, or retirement living	18	36	56
Housing with care (e.g. extra care)	10	11	21
Total	28	49	77

200. We note that there is no obligation for these all to be provided within the NA itself and clearly in some cases, such as providing a single specialist dementia care dwelling, it would not be economically feasible to do so. As such, these 77 specialist dwellings need not be thought of as all needing to be provided within the Neighbourhood development plan housing target - rather, there will be some overlap between these dwellings and the target, depending on the number that could be provided within the NA itself. This specialist dwelling need is likely, therefore, to be split between the NA and the rest of the District, which will enable the elderly to live either within or as close to the NA as possible.

201. Nevertheless, it is necessary that the specialist housing need takes into account the preferences identified in the Hilton Area Neighbourhood Development Plan survey (shown below in Figure 8-2) which reveals a strong local demand for sheltered homes (50%of respondents showed preference for this housing tenure) and care homes (30%of respondents showed preference for this housing tenure). Moreover, as the NA population of those aged 75 and over is expected to almost double from 212 to 482, these preferences reflect the increasing population of this age group. Therefore, where feasible, the vast majority of the specialist housing need should be delivered within the NA to satisfy local needs.

Figure 8-2 : Hilton housing tenure preferences



Source: Hilton Area Neighbourhood Development Plan survey

9. Conclusions

9.1 Findings and Recommendations

202. Below we summarise factors affecting the type of housing needed in Hilton, and our recommendations:

Table 9-1: Summary of local factors specific to Hilton with a potential impact on neighbourhood development plan housing characteristics

Factor	Source(s) (see Chapter 3)	Possible impact on housing needed	Conclusion
Affordable Housing (AH)³⁹	Census 2001/2011, Land Registry PPD, Local Plan, SHMA, RSH, AECOM Calculations	<p>Hilton is dominated by owner occupied housing. However there has also been a decline in this housing tenure, whilst the demand for private rented homes has increased significantly.</p> <p>Meanwhile, there has been a minor increase in shared ownership homes and social rented homes in the NA.</p> <p>House prices in the NA are affordable to those earning the average total annual income for the MSOA. Moreover, most Affordable Housing tenures are affordable to those on a lower quartile of household income.</p>	<p>Whilst Shared Ownership (25% and 50%) housing comprises some of the most affordable tenures, it is evident from the Hilton Area Neighbourhood Development Plan Survey that the demand for this housing tenure is not particularly strong.</p> <p>Most Affordable Housing tenures are affordable to those on a lower quartile of household income. The exceptions are entry level market sale and market rent housing tenures. However, the development plan survey reveals that there is a clear preference towards starter homes and entry level market sale homes. Starter homes do remain affordable to those on all income levels.</p> <p>Therefore, an appropriate Affordable Housing split should be as follows:</p> <p>Entry Level Market Sale 40%</p> <p>Shared Ownership 10%</p> <p>Starter Homes 40%</p> <p>Entry Level Market Rent 10%</p> <p>It is important to note that whilst the data from the Derby HMA Strategic Housing Market Assessment Update 2013 used to calculate the affordability of homes in Hilton is the latest and most robust available, it is still considered unreliable and slightly outdated by South Derbyshire Council. Therefore, a housing needs survey by SDC or the QB may prove necessary as it has the opportunity to provide more robust and recent evidence and record local need for affordable and Social Housing within the NA based on income levels and concealment</p>

³⁹ See glossary

Factor	Source(s) (see Chapter 3)	Possible impact on housing needed	Conclusion								
Demand/need for smaller dwellings	Census 2001 and 2011, MHCLG 2014-based household projections.	<p>Census data recording the number of bedrooms per household suggests the great majority (64%) of people live in small and medium sized dwellings of 1-3 bedrooms, while 36% live in larger homes of four bedrooms or more.</p> <p>The dwelling mix determined by life-stage modelling⁴⁰ reveals the danger of a growing misalignment between demand for dwellings of 2, 3 and 4 habitable rooms and supply which, in Hilton, tends to be towards larger properties.</p>	<p>Currently, the supply of homes in terms of size and demand for homes are in broad alignment. However, due to significant demographic shifts that are forecast over the Plan period, an appropriate policy response is needed to support the delivery of smaller dwellings of 2-3 habitable rooms.</p> <p>The need to focus on delivering 2-3 bedroom homes is strengthened by the evidence found in the Hilton Area Neighbourhood Development Plan survey. Moreover, it is clear that a greater focus is needed on delivering 1 bedroom homes, although the majority of homes delivered should still be 2 or 3 bedroom homes. An appropriate housing split would be as follows.</p> <table data-bbox="995 958 1246 1160"> <tr> <td>1 bedroom</td> <td>10%</td> </tr> <tr> <td>2 bedrooms</td> <td>30%</td> </tr> <tr> <td>3 bedrooms</td> <td>50%</td> </tr> <tr> <td>4+ bedrooms</td> <td>10%</td> </tr> </table>	1 bedroom	10%	2 bedrooms	30%	3 bedrooms	50%	4+ bedrooms	10%
1 bedroom	10%										
2 bedrooms	30%										
3 bedrooms	50%										
4+ bedrooms	10%										
Demographic change	Census 2001 and 2011	<p>There has been a significant increase in the proportion of one person households under the age of 65 during the 2001-11 inter-censal period in the NA. Moreover, there has been notable increase in households consisting of families with dependent children.</p> <p>Change during the 2001-11 inter-censal periods suggest slight divergence with District trends, with a population that has a slightly younger population than the wider District.</p>	<p>The substantial increase in the proportion of one person households under the age of 65 and households consisting of families with dependent children highlight the need to small and medium sized properties that are suitable for families and younger people.</p> <p>Nevertheless, the Hilton Area Neighbourhood Development Plan survey reveals that there is a strong demand for sheltered accommodation for older people and it is therefore necessary to accommodate for these needs.</p>								

⁴⁰ See glossary

Factor	Source(s) (see Chapter 3)	Possible impact on housing needed	Conclusion
Dwelling type	Census 2001, 11, ONS 2011 (CT 0621)	<p>The great majority of dwellings in Hilton are houses (as opposed to flats), with detached homes being the most dominant (48.7%)</p> <p>Within Hilton, the most dominant house type for under 35's is semi-detached homes. However from the age of 35 there is a dramatic shift to detached dwellings, reaching a peak of 46% among those aged between 55 and 64.</p>	<p>Whilst demand for medium and larger homes has been high over recent years, it is evident from the Hilton Area Development Plan Survey Results that there is a growing demand for smaller homes in the form of bungalows. This most likely represents the growing older population in the NA who need to smaller homes to downsize. Moreover, it must be acknowledged that by older people downsizing, this will also free up the larger family sized homes they once occupied. This will increase the availability of homes for families which is also in demand as suggested in the Hilton Area Development Plan Survey Results.</p>
Family-sized housing	Census 2001 and 2011	<p>The housing stock tends towards larger homes, with 54% of all households occupying dwellings of 6 habitable rooms or more, compared to 37% of homes being 4-5 rooms (medium sized properties).</p> <p>However, during the 2001 – 11 inter-censal period, the most significant increase was in smaller homes of 1-3 rooms.</p>	<p>There is an abundance of large family housing in Hilton; while this is healthy, and responds to market demand; there is a danger of the market failing to provide enough smaller dwellings (suitable for young families as well as households of 1 or 2 people).</p> <p>It is important to continue the recent increase in the delivery of smaller homes to cater for the growing number of families and younger households in the NA.</p> <p>Moreover, it is important to acknowledge that building more 1 or 2 bedroom dwellings will enable the growing older population to downsize and thus free up larger family homes. This further reduces the need to build larger family homes.</p>

Factor	Source(s) (see Chapter 3)	Possible impact on housing needed	Conclusion
<p>Tenure of housing</p>		<p>Owner-occupation remains the dominant tenure in the NA (79.3%). However, demand for owner occupied homes has decreased since 2011.</p> <p>Meanwhile there has been a significant increase in the amount Private Rented Sector (PRS) during the 2001-11 intercensal period (1073%). The increase in the proportion of PRS homes in the NA reflects the increase in the wider District (12% against 7%).</p> <p>The rates of tenure change in the NA reflect the rates of tenure change in the wider District.</p>	<p>It is clear that there is a shift in demand towards private rented homes. However, evidence from the Hilton Area Neighbourhood Development Plan survey suggests that desire for this housing tenure is not as high as our data suggests. Nevertheless, an increase in the PRS may enable more built-to-rent development which could lead to the provision of discounted market rent dwellings, as the new definition of AH set out in the revised National Planning Policy Framework (NPPF) acknowledges.</p> <p>The provision of for-sale market dwellings should form part of new development over the Plan period firstly because a significant proportion of households will continue to seek owner-occupation, despite the fluctuating supply of this tenure over recent years.</p>

Factor	Source(s) (see Chapter 3)	Possible impact on housing needed	Conclusion
<p>Housing for independent living for older people</p>		<p>In 2018, a total of 44 specialist dwellings for the elderly in Hilton already exist for a 2011 population aged 75+ of 212.</p> <p>This suggests the actual rate of provision in the NA is about 208 dwellings per 1000 population aged 75+. This rate of provision is higher than the national average of 170 dwellings per 1000 population.</p> <p>In both the NA and the District, the proportion of people aged 75+ is expected to increase by 2035. It is forecasted to form 5.1% of the total population in Hilton NA and 24.34% in the District. In Hilton, this results in an increase of 270 people aged 75+ between 2011 and 2035.</p>	<p>According to our calculations, there will be around 482 people aged 75+ in the NA by 2035. This results, over the Plan period, in a need for 121 bed spaces. If we discount the already existing 44 bed spaces, Hilton NA will need to provide 77 specialist accommodation units. This can be broken down between 28 Affordable Housing units and 49 market housing units.</p> <p>We note that there is no obligation for these all to be provided within the NA itself and clearly in some cases, such as providing a single specialist dementia care dwelling, it would not be economically feasible to do so. Nevertheless, it is necessary that the specialist housing need takes into account the preferences identified in the Hilton Area Neighbourhood Development Plan survey which reveals a strong local demand for sheltered homes (50%of respondents showed preference for this housing tenure) and care homes (30%of respondents showed preference for this housing tenure). Moreover, as the NA population of those aged 75 and over is expected to almost double from 212 to 482, these preferences reflect the increasing population of this age group. Therefore, where feasible, the vast majority of the specialist housing need should be delivered within the NA to satisfy local needs.</p>

9.2 Recommendations for next steps

203. This neighbourhood development plan housing needs advice has aimed to provide Hilton parish with evidence on housing trends from a range of sources. We recommend that the parish should, as a next step, discuss the contents and conclusions with South Derbyshire District Council with a view to agreeing and formulating draft housing policies, in particular the appropriate approach to identifying the level of need for new housing in the NP area, bearing the following in mind:
- Neighbourhood Planning Basic Condition A, that the Neighbourhood Plan has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the neighbourhood development plan contributes to the achievement of sustainable development; and Condition E, which is the need for the neighbourhood development plan to be in general conformity with the strategic policies in the adopted Local Plan;
 - the views of South Derbyshire District Council – in particular in relation to the housing need figure that should be adopted;
 - the views of local residents;
 - the views of other relevant local stakeholders, including housing developers; and
 - the numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by South Derbyshire District Council, including but not limited to the SHLAA
 - the recommendations and findings of this study; and
 - The impact of the new Government proposed standard methodology on calculating housing need on the district and its neighbourhoods.
204. Policy changes and the implementation of the Housing and Planning Act will continue to affect housing policies at a local authority and, by extension, a neighbourhood level.
205. This advice note has been provided in good faith by AECOM consultants on the basis of housing data and national guidance current at the time of writing (alongside other relevant and available information).
206. Bearing this in mind, we recommend that the steering group should monitor carefully strategies and documents with an impact on housing policy produced by South Derbyshire District Council or any other relevant body and review the neighbourhood development plan accordingly to ensure that general conformity is maintained.
207. At the same time, monitoring on-going demographic or other trends over the period in which the neighbourhood Development Plan is being developed will help ensure the continued relevance and credibility of its policies.

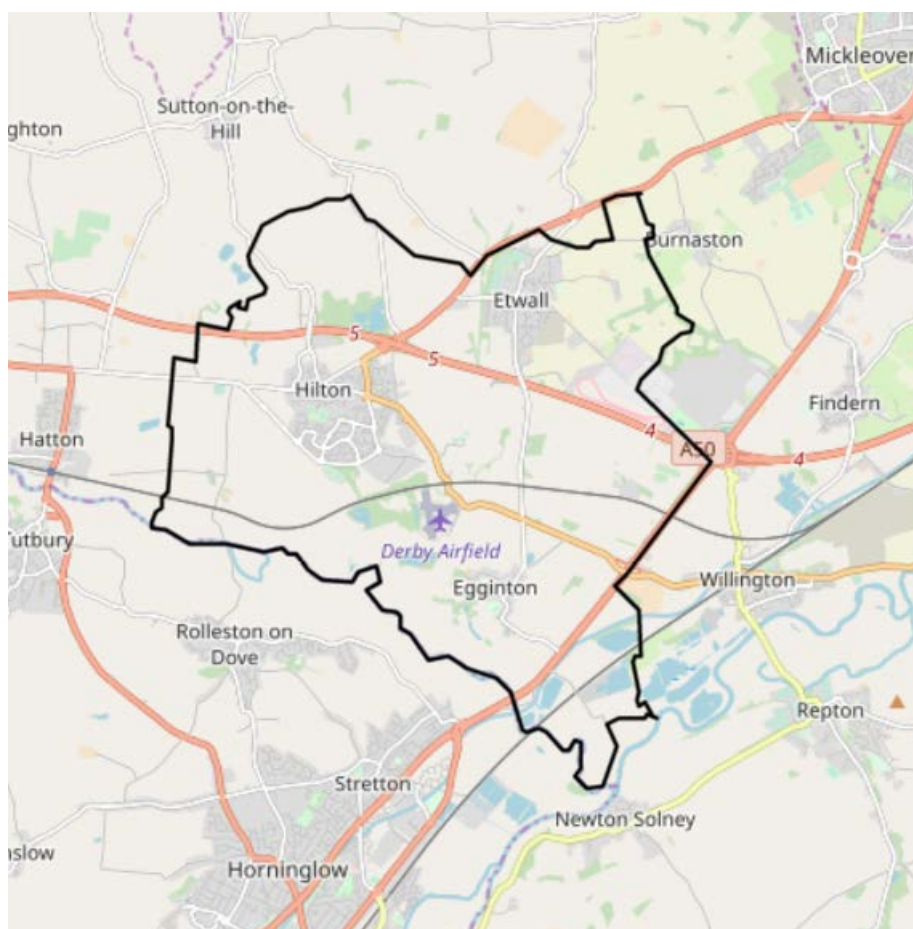
Appendix A : Calculation of Affordability Thresholds

A.1 Income

208. Incomes are considered first, as they have an important relationship with the ability of households to exercise choice in the housing market and the level of need for Affordable Housing products. Different sources were used to estimate the income levels in Hilton.

209. As household income data at the Parish level is not available, we have used estimates of average household incomes for 2015/16, published by the ONS at the Middle-layer Super Output Area. One must be aware that the selected area used to obtain estimates of household average income is larger than the NA. However, we believe this data is a robust proxy, giving a more accurate picture than given by estimates of incomes at the LA level. The geography used to retrieve the data is shown in Figure 9-1 below. The net annual household income before housing costs (equalised) in 2015/2016 was **£33,800**, while the total annual income⁴¹ was **£52,800**.

Figure 9-1: Map of E02004119: South Derbyshire 002



Source: ONS 2011

A.2 Market Housing

210. To determine affordability in market housing, we consider two primary indicators, 'Income Thresholds' (IT), which denotes the maximum share of a family's income that should be spent on accommodation costs, and thirdly 'Purchase Thresholds' (PT), which denotes the standard household income requirement to access mortgage products.

Market sales

211. The PT examines affordability for sale market homes. In this sub-section, we consider two measures of housing price: the average (mean) house price, and the lower quartile (LQ) house price. The LQ house price is the price below,

⁴¹ Total annual household income is the sum of the gross income of every member of the household plus any income from benefits such as Working Families Tax Credit.

which the cheapest 25% of houses may be bought and is a **measure of ‘entry-level’ property in the area** (cheaper, more Affordable Housing)⁴². Nonetheless, an entry-level dwelling can also be understood as one suitable for a household comprising two or three individuals. In order to conform with the Government guidance on overcrowding, such a home would require three habitable rooms (a flat or house with two bedrooms). **Entry-level properties can therefore also be understood as two-bedroom flats/houses.**

212. A search of properties available for sale across the NA was made on www.zoopla.co.uk and seventeen 2 bed homes were on sale (2 houses and 15 flats/apartments), averaging to £90,638 which we use the average price for entry-level properties in the area. www.zoopla.co.uk also provides an estimate of current house prices in Hilton. According to the website, the average price for property in Hilton stood at **£229,741** in November 2018. This is fall of 1.06% in the last three months (since August 2018) and fall of 1.37% since 12 months ago. In terms of property types, flats in Hilton sold for an average of £110,953 and terraced houses for £186,043.

213. The PT is calculated by discounting 10% of the house price to reflect a mortgage deposit. The resulting cost is then divided by 3.5⁴³.

214. The PT for the entry-level property price is £90,638 X 10% = £9,063; £90,638 – £9,063 = £81,575; Dividing this figure by 3.5 produces a threshold of £23,307. A single person would need to be earning **£23,307 annually to afford an entry-level property.**

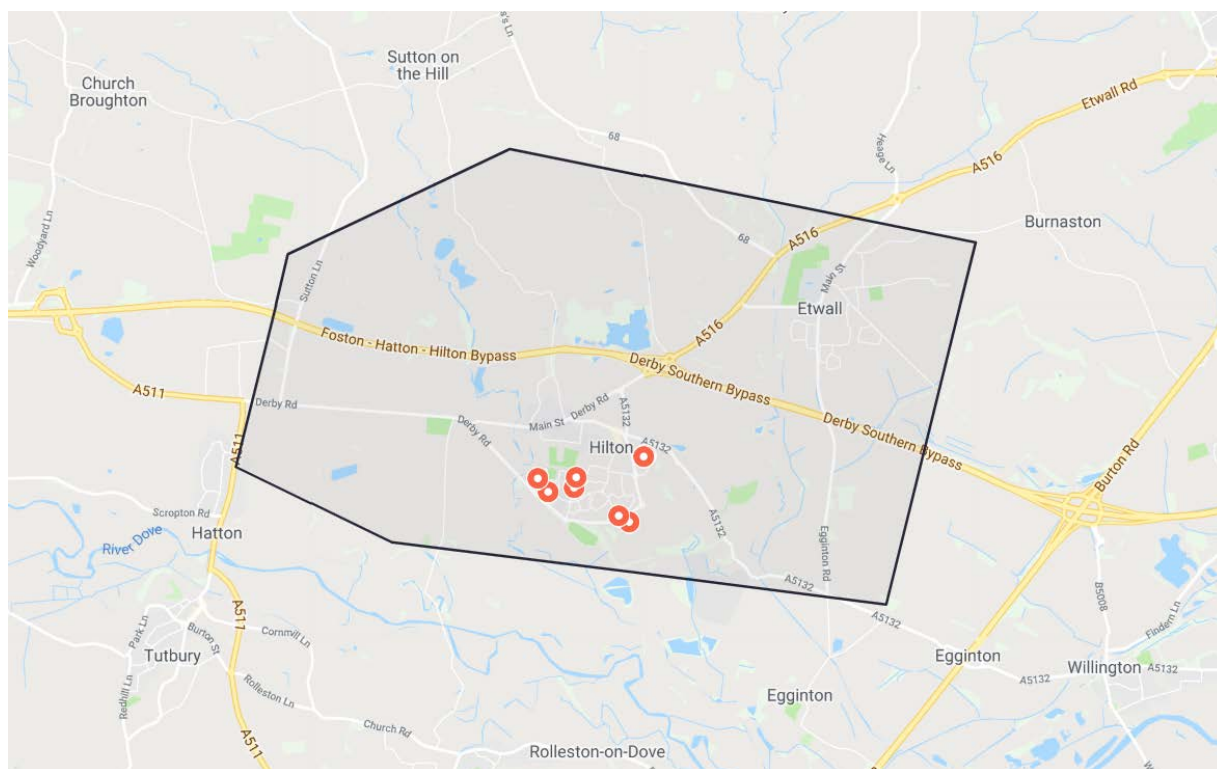
215. The PT for the mean property price in November 2018 is £229,741 X 10% = £22,974; £229,741 – £22,974= £206,767; Dividing this figure by 3.5 produces a threshold of £59,076. A single person would need to be earning **£59,076 annually to afford a property around the average price.**

Private rented sector (PRS)

216. The IT examines affordability for rent market homes. Again, we consider two measures of price: the average rent price and the LQ rent price. However, data is not available for long-term trends at the NA scale, making it impossible to calculate LQ rent price. Nonetheless, as we saw, an entry-level dwelling can also be understood as two-bedroom flats/houses. A search of properties available for private rent was made on www.rightmove.com, presented in Figure 9-2 below. There were 7 properties available to rent in Hilton at the time of writing (November, 2018).

217. Therefore, we have turned to Home.co.uk, which provides market rent summary for the wider postcode area, shown in Figure 9-2 below.

Figure 9-2: DE65 Rent



⁴² Definition of ‘entry-level’ taken from <https://www.ons.gov.uk/visualisations/dvc393/affordabilitycalculator/content.html>

⁴³ Lending criteria: How much a mortgage provider is prepared to lend you (how many times income). According to the SHMA, “An individual with a single income is considered able to buy a home if it costs 3.5 times the gross household income”

Source: <https://www.rightmove.co.uk>

218. We used DE65 as a proxy for market rent levels in Hilton and presented property rents by size in Table 9-2 below. We note that the two-bedroom rental prices in Hilton are 11% lower than the average property rents in the wider DE65 postcode area. The two bedroom properties currently available in Hilton have a higher rent than the average rent for the same size in DE65. This suggests that rents in Hilton are cheaper than those of the wider postcode area, which we are using as a proxy.

Table 9-2: Property Rents in DE65 by Number of Bedrooms

	No. of properties	Average rent (pcm)
One bedroom	8	£431
Two bedrooms	17	£597
Three bedrooms	13	£713
Four bedrooms	7	£924
Five bedrooms	0	
Average property rents in DE65		£646

Source: <https://www.home.co.uk>

219. Finally, we have looked at rents in surrounding areas and the results were compiled in Table 9-3 below. It appears that the rental market in DE65 (including Marston and Hoon), is relatively cheaper compared to the nearby city of Derby and the wider Derbyshire county. However it is higher than rents in the nearby town of Burton-on-Trent and Uttoxeter.

Table 9-3: Property rents in surrounding areas

	Average rent (pcm)
Average property rents in DE65	£646
Average property rents in Derby	£815
Average property rents in Burton-on-Trent	£561
Average property rents in Uttoxeter	£659
Average property rents in Derbyshire	£730

Source: <https://www.home.co.uk>

220. We now determine the income needed to afford market rents. The IT is derived through the annualisation of the monthly rental cost. For the purpose of this exercise and in line with the SHMA, affordability is defined as spending 25% of income on housing costs.⁴⁴

221. The average rent for DE65 used as a proxy for Hilton is £646 PCM. The annualisation of this figure is £7,752. The income threshold is therefore **£31,008**

222. The average entry-level rent in Hilton is £597 PCM. The annualisation of this figure is £7,164. The income threshold is therefore **£28,656**

A.3 Affordable Housing

223. We identified the various different tenures that constitute the new definition of Affordable Housing (AH) within the NPPF (2019 version): Social Rent and Affordable Rent, Starter Homes, Discounted market sales housing, and other affordable routes to home ownership.

224. This variety of AH tenures reflects an ambition by the Government to provide a pathway to home ownership to those who seek it, as well as introducing market principles into the provision of subsidised housing for rent. The aim is to divide AH into a series of products designed to appeal to different sectors of the market and, by changing eligibility criteria, bring rents closer in line with people's ability to pay.

225. A good example is, in 2012, the introduction of dwellings for Affordable Rent, rent for this tenure is set at up to 80% of market rent, with intention that the additional income is used to help fund the development of new homes. Labelled an 'intermediate' product, this would be suitable for people with an income that precludes them from eligibility for the Social Rent dwellings (those dwellings where the rent is set in accordance with the Government's rent policy), but who cannot afford to access the private market.

⁴⁴ SHMA 2012 "A household is considered able to afford market housing in cases where the rent payable would constitute no more than 25% of their gross household income"

226. The overall aim is to reduce the group who are eligible for Social Rent dwellings to those who have, relatively speaking, very low household incomes. However, within this segment, market principles also apply given the link between rents and size of dwelling, with a strong financial incentive for households to only occupy a dwelling deemed suited to their composition, based on an 'occupancy rating' formula set by the Government.

Social Rent

227. Rents in socially rented properties reflect a 'formula rent' based on a combination of individual property values and average earnings in each area, maintaining substantial discounts to market rents. As such, it is suitable for the needs of those on low incomes, and is subject to strict eligibility criteria.

228. To determine Social Rent prices we have used the Statistical Data Return (SDR) from the Regulator of Social Housing (RSH). This data is only available at the District level, but operates as an acceptable proxy for Hilton given the shared demographic and employment characteristics identified in this study between the two geographies. SDR provides data about rents and the size and type of stock owned and managed by Private Registered Providers (PRPs) and is presented in Table 9-4 below.

Table 9-4: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All Stock Sizes ⁴⁵
Average Net rent per week	£74.17	£90.80	£101.45	£117.18	£92.87
Average social rent rate per week	£73.97	£89.89	£101.09	£114.08	£92.23
Annual rent	£3,867	£4,735	£5,290	£6,110	£4,843
Income needed	£11,602	£14,204	£15,870	£18,330	£14,528

Source: SDR, AECOM Calculations

Affordable Rent

229. Commentators have repeatedly raised concerns about Affordable Rent not constituting a realistic form of AH given that in many areas this reduces rent to levels that are still beyond the means of the target group: those on incomes substantially below the mean.

230. To determine Affordable Rent prices we can also use the SDR from the RSH. The data is presented below.

Table 9-5: Affordable Rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All Stock Sizes
Average weekly Gross rent	£87.91	£100.39	£114.97	£141.64	£98.77
Annual rent	£4,584	£5,235	£5,995	£7,386	£5,150
Income needed	£13,752	£15,704	£17,985	£22,157	£15,450

Source: SDR, AECOM Calculations

Intermediate Tenures

231. Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. They can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.

- Starter Homes

232. Housing and Planning Act 2016 (HPA) includes provisions to introduce a general duty on planning authorities in England to promote the supply of 'Starter Homes,' and a specific duty to require a minimum number or proportion of 'Starter Homes' on certain residential development sites. In paragraph 64 of the NPPF18, the Government introduces a recommendation that "where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership".

233. This is a fulfilment of the direction of travel set in the Housing White Paper. It states that, "in keeping with our approach to deliver a range of affordable homes to buy, rather than a mandatory requirement for 'Starter Homes,' we intend to amend the NPPF to introduce a clear policy expectation that housing sites deliver a minimum of 10% affordable home ownership units. It will be for local areas to work with developers to agree an appropriate level of delivery of 'Starter Homes', alongside other affordable home ownership and rented tenures".

⁴⁵ Weighted average

234. This is a substantial watering-down of the 'Starter Home' requirement as envisaged when policy contained in the Housing and Planning Act was first conceived. In effect, it leaves it to local groups, including Neighbourhood development plans, to decide an appropriate level of affordable home ownership products, while taking note of the 10% policy expectation.
235. A Starter Home is a new build home with a value not exceeding £250,000 outside London and £450,000 inside the city; they are eligible for first time buyers aged under 40.
236. The decision whether to treat Discounted Market Sale Homes (DMSH) as AH should be determined by whether lowering the asking price of new build homes of a size and type suitable to first time buyers by 20% would bring them within reach of people currently unable to access Affordable Market Housing for purchase.
237. So as to provide a conservative assessment of suitability of DMSH, we propose to use the value we have estimated for an entry-level dwelling of £90,638.
238. Applying a discount of 20% arrives at the approximate selling price of £72,510. Allowing for a 10% deposit further reduces the value of the property to £65,259. The PT at a multiple of 3.5 is **£18,645**.

- Shared Ownership

239. As we have seen, there are only a few shared ownership dwellings in Hilton (16 at the time of the last Census). Nevertheless, it is worth considering its future role.
240. Shared ownership involves the purchaser buying an initial share in a property typically of between 25% and 75% and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the leaseholder can be varied by 'stair-casing'. Generally, stair-casing will be upward, thereby increasing the share owned. In exceptional circumstances (as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to both first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose household income does not exceed £60,000.
241. To determine the affordability of shared ownership, calculations are based on the entry-level house price in Hilton (£90,638). The amount of the deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, the standard loan to value ratio of 3.5 is used to calculate the income required to obtain a mortgage. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 25% of the income on rent (as for the IT for PRS)
242. A 25% equity share of £90,638 is £22,660, from which a 10% deposit of £2,266 is netted off. The mortgage value of £20,394 (£22,394 - £2,266) is then divided by 3.5. To secure a mortgage of £20,394, an annual income of £5,827 (£20,394/ 3.5) is therefore needed. In addition to the mortgage costs, rent is charged on the remaining 75% shared ownership equity, the unsold value of £67,978. An ongoing annual rent equivalent to 2.75% of the value of the unsold equity is assumed, which is £4,950 and requires an income of £5,608. Therefore, an income of around **£11,435** (£5,827+ £5,608) is required to afford a 25% shared equity purchase of an entry-level house with annual rent.
243. The same calculation is reiterated for different initial share and the results are presented in Table 9-6 below:

Table 9-6: Affordability calculator for shared ownership

Purchase price:	£90,638	Minimum income needed	Mortgage	Income needed for mortgage	Annual Rent	Income needed for rent	Deposit required
Initial share	25%	£11,435	£20,394	£5,827	£1,869	£5,608	£2,266
	35%	£13,018	£28,551	£8,157	£1,620	£4,860	£3,172
	40%	£13,809	£32,630	£9,323	£1,496	£4,487	£3,626
	50%	£15,392	£40,787	£11,653	£1,246	£3,739	£4,532
	60%	£16,975	£48,945	£13,984	£997	£2,991	£5,438
	75%	£19,350	£61,181	£17,480	£623	£1,869	£6,798

Source: AECOM Calculations

Appendix B : Housing Needs Assessment Glossary

Adoption

The final confirmation of a local plan by a local planning authority.

Affordability⁴⁶

The terms 'affordability' and 'affordable housing' have different meanings. 'Affordability' is a measure of whether housing may be afforded by certain groups of households. 'Affordable housing' refers to particular products outside the main housing market.

Affordability Ratio

Assessing affordability involves comparing house costs against the ability to pay. The ratio between lower quartile house prices and the lower quartile income or earnings can be used to assess the relative affordability of housing. The Ministry for Housing, Community and Local Governments publishes quarterly the ratio of lower quartile house price to lower quartile earnings by local authority (LQAR) as well as median house price to median earnings by local authority (MAR) e.g. income = £25,000, house price = £200,000. House price: income ratio = £200,000/£25,000 = 8, (the house price is 8 times income).

Affordable Housing (NPPF Definition)/Intermediate Housing⁴⁷

Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision. Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England. Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing. Homes that do not meet the above definition of affordable housing, such as "low cost market" housing, may not be considered as affordable housing for planning purposes.

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods. The Tenant Services Authority has issued an explanatory note on these at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

Annual Monitoring Report

A report submitted to the Government by local planning authorities assessing progress with and the effectiveness of a Local Development Framework.

Basic Conditions

The basic conditions are the legal tests that are made at the examination stage of neighbourhood development plans. They need to be met before a plan can progress to referendum.

⁴⁶ <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

⁴⁷ <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

Backlog need

The backlog need constitutes those households who are eligible for Affordable Housing, on account of homelessness, overcrowding, concealment or affordability, but who are yet to be offered a home suited to their needs.

Bedroom Standard⁴⁸

A measure of occupancy (whether a property is overcrowded or under-occupied, based on the number of bedrooms in a property and the type of household in residence. The Census overcrowding data is based on occupancy rating (overcrowding by number of rooms not including bathrooms and hallways). This tends to produce higher levels of overcrowding/ under occupation. A detailed definition of the standard is given in the Glossary of the EHS Household Report

Co-living

Co-living denotes people who do not have family ties sharing either a self-contained dwelling (i.e., a 'house share') or new development akin to student housing in which people have a bedroom and bathroom to themselves, but share living and kitchen space with others. In co-living schemes each individual represents a separate 'household'.

Community Led Housing/Community Land Trusts

Housing development, provision and management that is led by the community is very often driven by a need to secure affordable housing for local people in the belief that housing that comes through the planning system may be neither the right tenure or price-point to be attractive or affordable to local people. The principle forms of community-led models include cooperatives, co-housing communities, self-help housing, community self-build housing, collective custom-build housing, and community land trusts. By bringing forward development which is owned by the community, the community is able to set rents and/or mortgage payments at a rate that it feels is appropriate. The Government has a range of support programmes for people interested in bringing forward community led housing.

Community Right to Build Order⁴⁹

An Order made by the local planning authority (under the Town and Country Planning Act 1990) that grants planning permission for a site-specific development proposal or classes of development.

Concealed Families (Census Definition)⁵⁰

The 2011 Census defined a concealed family as one with young adults living with a partner and/or child/children in the same household as their parents, older couples living with an adult child and their family or unrelated families sharing a household. A single person cannot be a concealed family; therefore one elderly parent living with their adult child and family or an adult child returning to the parental home is not a concealed family; the latter are reported in an ONS analysis on increasing numbers of young adults living with parents.

Equity Loans/Shared Equity

An equity loan which acts as a second charge on a property. For example, a household buys a £200,000 property with a 10% equity loan (£20,000). They pay a small amount for the loan and when the property is sold e.g. for £250,000 the lender receives 10% of the sale cost (£25,000). Some equity loans were available for the purchase of existing stock. The current scheme is to assist people to buy new build.

Extra Care Housing⁵¹

New forms of sheltered housing and retirement housing have been pioneered in recent years, to cater for older people who are becoming more frail and less able to do everything for themselves. Extra Care Housing is housing designed with the needs of frailer older people in mind and with varying levels of care and support available on site. People who live in Extra Care Housing have their own self-contained homes, their own front doors and a legal right to occupy the property. Extra Care Housing is also known as very or enhanced sheltered housing, assisted living, or simply as 'housing with care'. It comes in many built forms, including blocks of flats, bungalow estates and retirement villages. It is a popular choice among older people because it can sometimes provide an alternative to a care home. In addition to the communal facilities often found in sheltered housing (residents' lounge, guest suite, laundry), Extra Care often includes a restaurant or dining room, health & fitness facilities, hobby rooms and even computer rooms. Domestic support and personal care are available, usually provided by on-site staff. Properties can be rented, owned or part owned/part rented. There is a limited (though

⁴⁸ <https://www.gov.uk/government/publications/english-housing-survey-2011-to-2012-headline-report>

⁴⁹ <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

⁵⁰ http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

⁵¹ <http://www.housingcare.org/jarqon-extra-care-housing.aspx>

increasing) amount of Extra Care Housing in most areas and most providers set eligibility criteria which prospective residents have to meet.

Fair Share

'Fair share' is an approach to determining housing need within a given geographical area based on a proportional split according to the size of the area, the number of homes in it, or its population.

Habitable Rooms

The number of habitable rooms in a home is the total number of rooms, less bathrooms, toilets and halls.

Household Reference Person (HRP)

The concept of a Household Reference Person (HRP) was introduced in the 2001 Census (in common with other government surveys in 2001/2) to replace the traditional concept of the head of the household. HRPs provide an individual person within a household to act as a reference point for producing further derived statistics and for characterising a whole household according to characteristics of the chosen reference person.

Housing Market Area (PPG Definition)⁵²

A housing market area is a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. It might be the case that housing market areas overlap.

The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries. Local planning authorities should work with all the other constituent authorities under the duty to cooperate.

Housing Needs

There is no official definition of housing need in either the National Planning Policy Framework or the National Planning Practice Guidance. Clearly, individuals have their own housing needs. The process of understanding housing needs at a population scale is undertaken via the preparation of a Strategic Housing Market Assessment (see below).

Housing Needs Assessment

A Housing Needs Assessment (HNA) is an assessment of housing needs at the Neighbourhood Area level.

Housing Products

Housing products simply refers to different types of housing as they are produced by developers of various kinds (including councils and housing associations). Housing products usually refers to specific tenures and types of new build housing, such as Starter Homes, the Government's flagship 'housing product'.

Housing Size (Census Definition)

Housing size can be referred to either in terms of the number of bedrooms in a home (a bedroom is defined as any room that was intended to be used as a bedroom when the property was built, any rooms permanently converted for use as bedrooms); or in terms of the number of rooms, excluding bathrooms, toilets halls or landings, or rooms that can only be used for storage. All other rooms, for example, kitchens, living rooms, bedrooms, utility rooms, studies and conservatories are counted. If two rooms have been converted into one they are counted as one room. Rooms shared between a number of households, for example a shared kitchen, are not counted.

Housing Type (Census Definition)

This refers to the type of accommodation used or available for use by an individual household, including detached, semi-detached, terraced including end of terraced, and flats. Flats are broken down into those in a purpose-built block of flats, in parts of a converted or shared house, or in a commercial building.

⁵² <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

Housing Tenure (Census Definition)

Tenure provides information about whether a household rents or owns the accommodation that it occupies and, if rented, combines this with information about the type of landlord who owns or manages the accommodation.

Income Threshold

Income thresholds are derived as a result of the annualisation of the monthly rental cost and then asserting this cost should not exceed 35% of annual household income.

Intercensal Period 2001-2011

The period between the last two censuses, i.e. between years 2001 and 2011.

Intermediate Housing

Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing. Homes that do not meet the above definition of affordable housing, such as 'low cost market' housing, may not be considered as affordable housing for planning purposes.

Life Stage modelling

Life Stage modelling is forecasting need for dwellings of different sizes at the end of the Plan period on the basis of changes in the distribution of household types and key age brackets (life stages) within the NA. Given the shared behavioural patterns associated with these metrics, they provide a helpful way of understanding and predicting future community need. This data is not available at the parish level so District level data is employed on the basis of the NA falling within a defined Housing Market Area.

Life-time Homes

Dwellings constructed to make them more flexible, convenient adaptable and accessible than most 'normal' houses, usually according to the Lifetime Homes Standard, 16 design criteria that can be applied to new homes at minimal cost: <http://www.lifetimehomes.org.uk/>.

Life-time Neighbourhoods

Lifetime neighbourhoods extend the principles of Lifetime Homes into the wider neighbourhood to ensure the public realm is designed in such a way to be as inclusive as possible and designed to address the needs of older people, for example providing more greenery and more walkable, better connected places.

Local Development Order

An Order made by a local planning authority (under the Town and Country Planning Act 1990) that grants planning permission for a specific development proposal or classes of development.

Local Enterprise Partnership

A body, designated by the Secretary of State for Communities and Local Government, established for the purpose of creating or improving the conditions for economic growth in an area.

Local Planning Authority

The public authority whose duty it is to carry out specific planning functions for a particular area. All references to local planning authority apply to the District council, London borough council, county council, Broads Authority, National Park Authority and the Greater London Authority, to the extent appropriate to their responsibilities.

Local Plan

The plan for the future development of the local area, drawn up by the local planning authority in consultation with the community. In law this is described as the development plan documents adopted under the Planning and Compulsory Purchase Act 2004. Current core strategies or other planning policies, which under the regulations would be considered to be development plan documents, form part of the Local Plan. The term includes old policies which have been saved under the 2004 Act.

Lower Quartile

The bottom 25% value, i.e. of all the properties sold, 25% were cheaper than this value and 75% were more expensive. The lower quartile price is used as an entry level price and is the recommended level used to evaluate affordability; for example for first time buyers.

Lower Quartile Affordability Ratio

The Lower Quartile Affordability Ratio reflects the relationship between Lower Quartile Household Incomes and Lower Quartile House Prices, and is a key indicator of affordability of market housing for people on relatively low incomes.

Market Housing (PPG Definition)

Market housing is housing which is built by developers (which may be private companies or housing associations, or Private Registered Providers), for the purposes of sale (or rent) on the open market. It is the opposite of affordable housing.

Mean (Average)

The sum of all values divided by the number of values. The more commonly used “average” measure as it includes all values, unlike the median.

Median

The middle value, i.e. of all the properties sold, half were cheaper and half were more expensive. This is sometimes used instead of the mean average as it is not subject to skew by very large or very small statistical outliers.

Median Affordability Ratio

The Lower Quartile Affordability Ratio reflects the relationship between Median Household Incomes and Median House Prices, and is a key indicator of affordability of market housing for people on middle-range incomes.

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years⁵³, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Plan

A plan prepared by a Parish or Town Council or Neighbourhood Forum for a particular neighbourhood area (made under the Planning and Compulsory Purchase Act 2004).

Older People

People over retirement age, including the active, newly-retired through to the very frail elderly, whose housing needs can encompass accessible, adaptable general needs housing for those looking to downsize from family housing and the full range of retirement and specialised housing for those with support or care needs.

Output Area/Lower Super Output Area/Middle Super Output Area

An output area is the lowest level of geography for publishing statistics, and is the core geography from which statistics for other geographies are built. Output areas were created for England and Wales from the 2001 Census data, by grouping a number of households and populations together so that each output area's population is roughly the same. 175,434 output areas were created from the 2001 Census data, each containing a minimum of 100 persons with an average of 300 persons. Lower Super Output Areas consist of higher geographies of between 1,000-1,500 persons (made up of a number of individual Output Areas) and Middle Super Output Areas are higher than this, containing between 5,000 and 7,200 people, and made up of individual Lower Layer Super Output Areas. Some statistics are only available down to Middle Layer Super Output Area level, meaning that they are not available for individual Output Areas or parishes.

⁵³ <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

Overcrowding

There is no one agreed definition of overcrowding, however, utilising the Government's bedroom standard, overcrowding is deemed to be in households where there is more than one person in the household per room (excluding kitchens, bathrooms, halls and storage areas). As such, a home with one bedroom and one living room and one kitchen would be deemed overcrowded if three adults were living there.

Planning Condition

A condition imposed on a grant of planning permission (in accordance with the Town and Country Planning Act 1990) or a condition included in a Local Development Order or Neighbourhood Development Order.

Planning Obligation

A legally enforceable obligation entered into under section 106 of the Town and Country Planning Act 1990 to mitigate the impacts of a development proposal.

Purchase Threshold

Purchase thresholds are calculated by netting 10% off the entry house price to reflect purchase deposit. The resulting cost is divided by 4 to reflect the standard household income requirement to access mortgage products.

Proportionate and Robust Evidence (PPG Definition)

Proportionate and robust evidence is evidence which is deemed appropriate in scale, scope and depth for the purposes of neighbourhood planning, sufficient so as to meet the Basic Conditions, as well as robust enough to withstand legal challenge. It is referred to a number of times in the PPG and its definition and interpretation relies on the judgement of professionals such as Neighbourhood Plan Examiners.

Private Rented

The Census tenure private rented includes a range of different living situations in practice, such as private rented/ other including households living "rent free". Around 20% of the private rented sector is in this category, which will have included some benefit claimants whose housing benefit at the time was paid directly to their landlord. This could mean people whose rent is paid by their employer, including some people in the armed forces. Some housing association tenants may also have been counted as living in the private rented sector because of confusion about what a housing association is.

Rural Exception Sites

Small sites used for affordable housing in perpetuity where sites would not normally be used for housing. Rural exception sites seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection. Small numbers of market homes may be allowed at the local authority's discretion, for example where essential to enable the delivery of affordable units without grant funding.

Shared Ownership

Housing where a purchaser part buys and part rents from a housing association or local authority. Typical purchase share is between 25% and 75%, and buyers are encouraged to buy the largest share they can afford. Generally applies to new build properties, but re-sales occasionally become available. There may be an opportunity to rent at intermediate rent level before purchasing a share in order to save/increase the deposit level

Sheltered Housing⁵⁴

Sheltered housing (also known as retirement housing) means having your own flat or bungalow in a block, or on a small estate, where all the other residents are older people (usually over 55). With a few exceptions, all developments (or 'schemes') provide independent, self-contained homes with their own front doors. There are many different types of scheme, both to rent and to buy. They usually contain between 15 and 40 properties, and range in size from studio flats (or 'bedsits') through to 2 and 3 bedroomed. Properties in most schemes are designed to make life a little easier for older people - with features like raised electric sockets, lowered worktops, walk-in showers, and so on. Some will usually be designed to accommodate wheelchair users. And they are usually linked to an emergency alarm service (sometimes called 'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-

⁵⁴ <http://www.housingcare.org/jargon-sheltered-housing.aspx>

site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden.

Strategic Housing Land Availability Assessment (NPPF Definition)

A Strategic Housing Land Availability Assessment (SHLAA) is a document prepared by one or more local planning authorities to establish realistic assumptions about the availability, suitability and the likely economic viability of land to meet the identified need for housing over the plan period. SHLAAs are sometimes also called LAA (Land Availability Assessments) or HELAAs (Housing and Economic Land Availability Assessments) so as to integrate the need to balance assessed housing and economic needs as described below.

Strategic Housing Market Assessment (NPPF Definition)

A Strategic Housing Market Assessment (SHMA) is a document prepared by one or more local planning authorities to assess their housing needs, usually across administrative boundaries to encompass the whole housing market area. The NPPF makes clear that SHMAs should identify the scale and mix of housing and the range of tenures the local population is likely to need over the plan period. Sometimes SHMAs are combined with Economic Development Needs Assessments to create documents known as HEDNAs (Housing and Economic Development Needs Assessments).

Specialist Housing for the Elderly

Specialist housing for the elderly, sometimes known as specialist accommodation for the elderly, encompasses a wide range of housing types specifically aimed at older people, which may often be restricted to those in certain older age groups (usually 55+ or 65+). This could include residential institutions, sometimes known as care homes, sheltered housing, extra care housing, retirement housing and a range of other potential types of housing which has been designed and built to serve the needs of older people, including often providing care or other additional services. This housing can be provided in a range of tenures (often on a rented or leasehold basis).

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.) for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.⁵⁵

⁵⁵ <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

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